

MAY 13, 2019
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs,
Licensing, Enforcement,
and Legislative
Committee Meetings





CONTRACTORS STATE LICENSE BOARD

STATE OF CALIFORNIA

9821 Business Park Drive, Sacramento, CA 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800-321-CSLB (2752)
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NOTICE OF PUBLIC AFFAIRS, LICENSING, ENFORCEMENT, AND LEGISLATIVE COMMITTEE MEETINGS

Monday, May 13, 2019, 9:00 a.m. – 3:00 p.m. (or until the conclusion of business)
Contractors State License Board HQ, John C. Hall Hearing Room
9821 Business Park Drive, Sacramento, CA 95827

Meetings are open to the public except when specifically noticed otherwise in accordance with the Open Meeting Act. All times when stated are approximate and subject to change without prior notice at the discretion of each Committee's Chair unless listed as "time certain." Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. Action may be taken on any item listed on this agenda, including information-only items. The meeting may be canceled without notice.

Members of the public can address the Committee during the public comment session. Public comments will also be taken on agenda items at the time the agenda item is heard and prior to the CSLB's Committee taking any action on said items. Total time allocated for public comment may be limited at the discretion of each Committee Chair.

PUBLIC AFFAIRS COMMITTEE MEETING AGENDA

(9:00 a.m.)

Public Affairs Committee Members

Joan Hancock, Chair / Frank Altamura, Jr. / David De La Torre / Michael Layton / Frank Schetter / Nancy Springer

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction
- B. Public Comment Session for Items not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the Committee to discuss items not on the agenda; however, the CSLB's Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Review and Discussion of CSLB's Draft Disaster Response Plan and Presentation of Video on CSLB Disaster Response
- D. Review and Discussion of Media Efforts to Publicize Enforcement Activities and Relaunch CSLB's Most Wanted List on CSLB's Website
- E. Review and Discussion of Outreach Efforts to Industry and Licensees
- F. Adjournment

LICENSING COMMITTEE MEETING AGENDA

(Upon Adjournment of Public Affairs Committee Meeting.)

Licensing Committee Members:

Frank Schetter, Chair / Frank Altamura, Jr. / David De La Torre / Joan Hancock / Michael Layton / Nancy Springer

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction
- B. Public Comment Session for Items not on the Agenda and Future Agenda Item Requests

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- C. Review and Discussion on Possible Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account
- D. Review, Discussion, and Possible Action on Whether to Enter into a Reciprocity Agreement with North Carolina and Oregon for the "B" General Contractor License and Legislative Options for Trade Exam Waivers
- E. Update and Discussion About Development of a Possible Remodeling and Home Improvement License Classification
- F. Adjournment

ENFORCEMENT COMMITTEE MEETING AGENDA

(Upon Adjournment of Licensing Committee Meeting)

Enforcement Committee Members:

Kevin Albanese, Chair / Agustin "Augie" Beltran / Linda Clifford / David Dias / Susan Granzella / Johnny Simpson

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction
- B. Public Comment Session for Items not on the Agenda and Future Agenda Item Requests
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- C. Review, Discussion, and Possible Action on Guidelines for Allocation and Prioritization of CSLB Enforcement Staff Resources
- D. Update and Discussion on Enforcement Activities
 - 1. Work with Joint Enforcement Strike Force
 - 2. Partnership Opportunities for Mandatory Worker's Compensation for Specified Classifications
 - 3. CSLB and Employment Development Department Memorandum of Understanding
- E. Adjournment

LEGISLATIVE COMMITTEE MEETING AGENDA

(Upon Adjournment of Enforcement Committee Meeting)

Legislative Committee Members:

Linda Clifford, Chair / Kevin Albanese / Agustin "Augie" Beltran / David Dias / Susan Granzella / Johnny Simpson

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

- B. Public Comment Session for Items not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the Committee to discuss items not on the agenda; however, the CSLB's Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Review, Discussion, and Possible Action on 2019-20 Pending Legislation
1. AB 193 (Patterson) Professions and Vocations
 2. AB 613 (Low) Professions and Vocations: Regulatory Fees
 3. AB 1551 (Daly) Property Assessed Clean Energy Program
 4. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver
 5. SB 610 (Glazer) Contractors: Licensing and Regulation
 6. AB 1076 (Ting) Criminal Records: Automatic Relief
 7. SB 255 (Bradford) Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community Choice Aggregators
 8. SB 556 (Pan) Professional Land Surveyors and Engineers
 9. AB 544 (Brough) Professions and Vocations: Inactive License Fees and Accrued and Unpaid Renewal Fees
 10. AB 1024 (Frazier) Home Inspectors: Licensing: Contractors State License Board
 11. AB 1545 (Oberholte) Civil Penalty Reduction Policy
 12. SB 53 (Wilk) Open Meetings
- D. Review, Discussion, and Possible Action on Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account
- E. Review, Discussion, and Possible Action to Recommend to the Board Initiation of a Rulemaking to Add Title 16, California Code of Regulations (16 CCR) Section 832.49 to Create a New License Classification (C-49) for Tree and Palm Contractor
- F. Update on Steps Taken to Develop Proposed Text on the Appropriate License Classification(s) to Install Energy Storage Systems (Status Update Only)
- G. Adjournment

***Note:** Members of the Board who are not members of the Committee may attend the Committee meetings. However, if a majority of members of the full board are present at any of the Committee meetings, members who are not Committee members may attend the meeting as observers only.

The Board intends to provide a live webcast of the meetings. The webcast can be located at www.cslb.ca.gov. Webcast availability cannot, however, be guaranteed due to limitations on resources or technical difficulties. The meetings will continue even if the webcast is unavailable. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at the physical location.

The meetings are accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting may make a request by contacting Phyliz Jones at (916) 255-4000, or phyliz.jones@cslb.ca.gov, or send a written request to Phyliz Jones, 9821 Business Park Drive, Sacramento, CA 95827. Providing your request at least five (5) business days prior to the meeting will help ensure availability of the requested accommodation.



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Monday, May 13, 2019
9:00 a.m. – 3:00 p.m. (or upon adjournment)
Contractors State License Board HQ, John C. Hall Hearing Room
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MAY 13, 2019
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Public Affairs
Committee Meeting



AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

PUBLIC AFFAIRS COMMITTEE MEMBERS

JOAN HANCOCK, CHAIR

FRANK ALTAMURA, JR.

DAVID DE LA TORRE

MICHAEL LAYTON

FRANK SCHETTER

NANCY SPRINGER

Committee Chair Joan Hancock will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). Public comments will be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board should not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending administrative or criminal action.

- (1) If, during a Board or Committee meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.
- (2) If, during a Board or Committee meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:
 - (a) The Board or Committee may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,
 - (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board or Committee may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).
- (3) If a person becomes disruptive at the Board or Committee meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.



AGENDA ITEM C

Review and Discussion of CSLB's Draft Disaster Response Plan and Presentation of Video on CSLB Disaster Response





Introduction

Staff are formalizing CSLB's disaster response plan (DRP) as part of the board-approved 2019-21 strategic plan (Enforcement objective 2.1 and Public Affairs objective 4.2.) The Public Affairs Office (PAO) is leading this effort and working with all divisions to complete the project.

Committee Action Requested

This is a discussion item to allow committee members an opportunity to receive an update on the draft plan and to offer input as staff work toward completing this project by the June 2019 target date.

Background

As a consumer protection agency, and as part of its role regulating California's construction industry, CSLB is responsible for protecting those whose homes and property are directly affected by natural or artificial disasters, including earthquakes, floods, wildfires, pipeline explosions, or other catastrophic events.

CSLB's post-disaster mission is to help ensure that home and business owners are not victimized by unlicensed or unscrupulous contractors who might try to take advantage of them during the recovery and rebuilding process. An equally important goal is to help ensure that the playing field is kept level for law-abiding licensed contractors.

CSLB has had a post-disaster response plan in place for more than 30 years, which has evolved and expanded over the years. With an increase in disasters over the past five years, formalizing the elements of the program, as well as memorializing the procedures used to carry it out, will help enable CSLB to provide faster assistance to and better coordination with other government agencies involved in disaster response and recovery efforts. It will also ensure the greatest efficiency in responding to future disasters, capturing best practices, and tracking disaster response-related costs and outcomes.

**Elements to Be Included in Plan**

- Disaster Response Team Assignments
- Disaster Coordinator Responsibilities
- Division Chief Responsibilities
- Staff Training / Cross-Training
- Partnership Development
- Disaster Response Elements
 - Assistance Center Staffing
 - Assistance Center Resources/Materials
 - Posting of Disaster Signs
 - Media Outreach / Opportunities
 - Social Media
 - Building Department Outreach
 - Legislative Outreach
 - Industry Group Outreach
 - Chambers of Commerce Outreach
 - Community Group Outreach
 - Rebuilding Workshops
 - Compliance Sweeps
 - Undercover Stings

Timeline for Completion of Plan

Work to formalize the draft plan is currently underway, with completion expected by the end of June 2019. Staff will present the board a copy of the final plan.

AGENDA ITEM D

Review and Discussion of Media Efforts to Publicize Enforcement Activities and Relaunch CSLB's Most Wanted List on CSLB's Website





Introduction

CSLB's Public Affairs Office (PAO) is partnering with the Enforcement division to identify opportunities to increase publicity concerning enforcement actions against unlicensed contractors operating in the underground economy and licensed contractors who skirt the law, including a relaunch of CSLB's Most Wanted feature. This effort meets an action item from the board-approved 2019-21 strategic plan (Enforcement objective 2.3 and Public Affairs objective 4.4).

Committee Action Requested

This is a discussion item to allow committee members an opportunity to receive an update and to offer input as staff work toward meeting the following target dates:

- June 2019 – Develop Plan
- January 2020 – Implement Plan

Background

Educating consumers so they can make informed choices is a key part of CSLB's consumer protection mission. An important element of this work is to publicize activities in the construction marketplace, especially in instances where contractors break the law, putting consumers at risk. These outreach efforts can also act as a deterrent for those seeking to violate the law.

Consumers are often victimized when they are unaware of some of the major risks they take when they hire an unlicensed contractor or a licensed contractor who is cheating his or her competition.

For many years, PAO has issued a press release after every undercover sting operation. Releases are also used to publicize other enforcement actions, including arrests, criminal referrals, and consumer alerts. In more recent years, PAO has paired press releases with social media posts.

Another publicity tool is CSLB's Most Wanted list, which launched along with the accompanying website feature, on January 30, 2008. The feature lists the most egregious unlicensed operators in the state, all of whom have active arrest warrants. CSLB has used the feature to highlight the risks consumers take when they hire unlicensed contractors and has served as a good resource for media when looking for unlicensed contractors to profile.

Because most suspected unlicensed contractors with an outstanding arrest warrant are taken into custody relatively quickly, those on CSLB's Most Wanted list are often the most difficult to catch. In its first six years of existence, 18 Most Wanted suspects were arrested. Since 2015, only one Most Wanted suspect has been arrested, who pled



guilty to eight of the 25 counts against him and is currently at Soledad State Prison. There are currently eight suspects on the list, including one added in March 2019.

Elements to Be Included in Plan

- Continue to issue press releases after undercover sting operations
 - PAO staff will work closely with Enforcement staff ahead of each operation to coordinate picture-taking and gather other outreach elements needed to publicize sting results, and to streamline the writing and issuing of press releases
 - PAO will promote sting results on CSLB's social media channels and explore opportunities to expand these efforts
- Press conferences and other media tools will be expanded
- Issue Consumer Alerts on an as-needed basis
- Update and relaunch the Most Wanted web feature
 - Assistance from Enforcement staff to identify future suspects for the list
 - PAO will look for opportunities to promote feature relaunch, both through traditional media and social media channels
 - Issue news releases in relevant local areas when new suspects are added to the list

Timeline for Completion of Plan

Staff expect to finalize development of the plan by June 2019; the target date for implementation is January 2020. Staff expect to implement the plan over the next several months, as items are ready to launch.

AGENDA ITEM E

Review and Discussion of Outreach Efforts to Industry and Licensees





Introduction

As part of the 2019-21 strategic plan, the Public Affairs Office (PAO) is tasked with expanding website content to keep industry and licensees up-to-date on relevant information.

Committee Action Requested

This is a discussion item to allow committee members an opportunity to receive an update and to offer input to staff.

Background

As a licensing and regulatory agency, CSLB is responsible for enforcing California contractors' state license law. This includes Business and Professions code section 7082, which became law in 1939, and states that:

Whenever funds are available for the purpose, the registrar may publish and disseminate to licentiates of the board, and public officials or other persons interested in or allied with the building and construction industry, such information with relation to the administration and enforcement of this chapter as he deems necessary to carry out its purposes.

CSLB publishes an annual *California Contractors License Law & Reference Book* which is for sale to the public and available to view online for free, which contains laws and information relevant to the construction field.

CSLB also posts information and resources on its website for licensees and other stakeholders related to license maintenance, including forms and applications; home improvement salesperson requirements and forms; workers' compensation requirements and compliance; bond and insurance requirements and compliance; fact sheets and other publications about a variety of topics; and how to respond if a complaint is filed against a license.

Additionally, Industry Bulletins are also issued via email on an as-needed basis and posted online.

CSLB published its first newsletter for licensees, the *California Licensed Contractor*, in 1937. The newsletter helps to keep licensees and the construction industry updated on laws and other developments of importance.

As CSLB's license population grew, so too did the cost of printing and mailing newsletters. In 2015, PAO transitioned to an online-only edition of the newsletter.

As technology has continued to advance, CSLB is finalizing a plan to create a separate and specialized website for licensees and those looking to get a contractor license, which will also house the newsletter.

**Elements to Be Included in Plan**

The new website is expected to include the following:

- Latest news regarding California's construction industry
- Changes to California law affecting licensees
- Sub-pages for specific classifications
- Licensing questions and answers
- Social media postings
- Videos

In addition, PAO is finalizing plans to produce regularly scheduled broadcasts, including video webcasts and audio podcasts. These broadcasts are expected to focus on a variety of topics of interest to licensees and applicants.

Timeline for Completion of Plan

Staff are currently developing content and graphics for the new site. A site name and URLs have been chosen, which are currently being secured. Staff anticipate launching the site before the end of June 2019.

PAO is also in the process of filling a newly created TV Specialist position. This will be the first time CSLB has had a fulltime staff person dedicated to video and broadcast production. Additionally, as part of the building renovations at the Sacramento headquarters, a new production studio is being built.

When these two pieces are in-place, PAO will begin the new broadcasts, which will enhance our capacity to reach licensees, industry, and other interested parties.

AGENDA ITEM F

Adjournment



MAY 13, 2019
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Licensing
Committee Meeting



AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

LICENSING COMMITTEE MEMBERS:

FRANK SCHETTER, CHAIR

FRANK ALTAMURA, JR.

DAVID DE LA TORRE

JOAN HANCOCK

MICHAEL LAYTON

NANCY SPRINGER

Committee Chair Frank Schetter will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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AGENDA ITEM C

Review and Discussion on Possible Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account





CONTRACTORS STATE LICENSE BOARD

CONSTRUCTION MANAGEMENT EDUCATION ACCOUNT

SUBJECT: To submit a legislative proposal that will allow the board to grant all but \$50,000 in the Construction Management Education Account (CMEA) to schools each year without seeking annual budget authority from the Legislature.

RELEVANT PROVISION: Business & Professions Code (BPC) section 7139.2

BACKGROUND: The Construction Management Education Sponsorship Act of 1991 enables the board to issue grants to post-secondary institutions that offer certain construction management education programs. CMEA funds can only be used for issuing grants and CSLB applicants and licensees may donate funds to the CMEA when applying for a license or applying for a license renewal.

In 2009, the board sought and received legislative authority to disperse \$150,000 in construction management education grants each year without the need for annual authorization in the state budget (i.e., a “continuous appropriation”). In fiscal year 2014-15, however, the balance in the CMEA fell below \$150,000 and, due to budgeting rules, the board’s authorization to spend CMEA funds was reduced to \$100,000 annually.

IDENTIFICATION OF PROBLEM: In the last few years, the low level of the CMEA balance precluded staff from dispensing funds. In 2018, however, the balance increased to \$363,000, and acting on the board’s preference, staff initiated the grant application process, with plans to disperse \$150,000 in 2019. In February 2019, as the disbursements were being finalized, staff became aware of the \$50,000 annual reduction in spending authority. As a result, staff was forced to reduce the grant awards and did so based on the number of graduates in each program, as follows:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
Cal Poly – SLO	124	\$549.45 \$366.30	\$68,131.80 \$45,421.20
CSU Chico	115	\$549.45 \$366.30	\$63,186.75 \$42,124.50
CSU Sacramento	34	\$549.45 \$366.30	\$18,681.30 \$12,454.20
Total	273	\$549.45 \$366.30	\$149,999.85 \$99,999.90

PROPOSED CHANGE: To afford the board more discretion in the distribution of CMEA funds, staff proposes an amendment to BPC section 7139.2 to allow for a new annual “continuous appropriation” of any amount from the CMEA, so long as the board maintains a \$50,000 reserve in the account.

STAFF RECOMMENDATION: That the Licensing Committee approve seeking a continuous appropriation from the Legislature for CSLB to distribute CMEA grants annually while maintaining a \$50,000 reserve, and requests that the Legislative Committee consider this proposal for possible approval by the full board.

AGENDA ITEM D

Review, Discussion, and Possible Action
on Whether to Enter into a Reciprocity
Agreement with North Carolina and
Oregon for the “B” General Contractor
License and Legislative Options for
Trade Exam Waivers





Background

During several meetings in 2017, the board considered whether to grant a trade exam waiver to qualified applicants who hold a license from states that use the National Association of State Contractors Licensing Agencies (NASCLA) Commercial General Building Contractor exam (NASCLA Exam).

In November 2017, the Licensing Committee heard a presentation from the Department of Consumer Affairs' Office of Professional Examination Services (OPES) about the use of NASCLA trade exams and trade exam waivers.

OPES recommended that in considering reciprocity, CSLB should evaluate differences between the CSLB and NASCLA Exam in regard to the scope of practice, examination content, exam format, passing scores, and passing rates. OPES further recommended that if CSLB does adopt the NASCLA Exam, CSLB should:

- Accept that the CSLB and NASCLA exams are not parallel
- Maintain existing waiver regulations
- Accept the NASCLA Exam only for reciprocity purposes; California applicants must still take the "B" exam for California licensure
- Participate in the NASCLA Exam occupational analysis process

After additional research and discussion, in April 2018, the board directed staff to pursue reciprocity agreements with Louisiana, North Carolina, and Oregon and to waive the CSLB "B" General Building trade exam for a qualified applicant who has passed the NASCLA Exam if that state agrees to accept CSLB's "B" General Building trade exam for California licensees looking to work in those states.

To date, staff has entered into a reciprocity agreement with Louisiana, made inquiries with Oregon, and been in negotiations with North Carolina.

CSLB's Reciprocity Statute

Business and Professions Code section 7065.4 allows CSLB to waive a trade exam as follows:

The registrar may accept the qualifications of an applicant who is licensed as a contractor in a similar classification in another state if that state accepts the qualifications of a contractor licensed in this state for purposes of licensure in that other state, and if the board ascertains, on a case-by-case basis, that the professional qualifications and conditions of good standing for licensure and continued licensure are at least the same or greater in that state as in California. The registrar may waive the trade examination for that applicant if the applicant provides written certification from that other state in which he or she is licensed, that the applicant's license has been in good standing for the previous five years.

**Oregon Examinations**

The Oregon Construction Contractors Board only requires a “Law and Business” exam; a trade exam such as the NASCLA Commercial Builders Exam is not a requirement for licensure. Pursuant to CSLB’s reciprocity statute, Oregon licensees do not qualify for a reciprocity exam waiver because Oregon does not require a trade exam (i.e., the qualifications for licensure are not the same or greater than California requirements).

North Carolina Examinations

The North Carolina Licensing Board for General Contractors (NCLB) allows applicants to take the NASCLA Exam or a North Carolina specific trade exam developed and administered by private exam developer PSI. However, NCLB will not enter into a reciprocity agreement with CSLB unless CSLB waives the “B” General Building trade exam for an applicant that has passed the NCLB trade exam. For this reason, staff is unable to enter into a reciprocity agreement with North Carolina under the Board’s April 2018 motion.

Options for the Committee Consideration

Although the NASCLA Commercial General Building Contactor exam differs in several respects from California’s “B” General Building exam, CSLB staff continue to have a role in its development and maintenance and the board has previously approved entering into reciprocity agreements with states using this exam.

Option 1: Recommend that the Committee direct staff not to enter into an agreement with North Carolina and Oregon at this time but, explore the feasibility of a legislative proposal to make eligible for a CSLB “B” General Building trade exam waiver to any individual in the United States who has passed the NASCLA Exam and has five years of good standing as a licensed general contractor in another state. Staff would report its findings to the Licensing Committee.

This option reduces barriers to licensure for out-of-state experienced applicants, encourages adoption of a national exam in other states, and minimizes staff resources in analyzing numerous state trade examinations.

Option 2: The Committee takes no action and CSLB does not enter into a reciprocity agreement with either North Carolina or Oregon at this time.

AGENDA ITEM E

Update and Discussion About Development of a Possible Remodeling and Home Improvement License Classification



AGENDA ITEM F



MAY 13, 2019
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Enforcement
Committee Meeting



AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

ENFORCEMENT COMMITTEE MEMBERS:

KEVIN ALBANESE, CHAIR

AGUSTIN "AUGIE" BELTRAN

LINDA CLIFFORD

DAVID DIAS

SUSAN GRANZELLA

JOHNNY SIMPSON

Committee Chair Kevin Albanese will review the scheduled Committee actions and make appropriate announcements.





AGENDA ITEM C

Review, Discussion, and Possible Action on Guidelines for Allocation and Prioritization of CSLB Enforcement Staff Resources





Background

The recent Sunset Review process required a careful review and analysis of all CSLB operations. For the Enforcement division, this included a critical reexamination of CSLB’s published complaint prioritization guidelines. The Legislature specifically asked the following questions about complaint prioritization:

- How are [complaint] cases prioritized?
- What is the board’s compliant prioritization policy?
- Is the board’s policy different from DCA’s *Complaint Prioritization Guidelines for Health Care Agencies*?

CSLB responded by stating that the board’s policies are consistent with DCA’s published prioritization guidelines, and assign the highest priority to complaints that involve threats to public safety, consumer harm, or criminal activity. Complaints involving lesser violations receive lower priority for completion. The Sunset Review response included CSLB’s prioritization matrix.



The board adopted this chart in 2013 to help guide Enforcement division management and field supervisors with case assignments. As a working document, the chart needs to be updated to reflect current board priorities. For example, workers’ compensation insurance violations are now an enforcement priority; yet the chart ranks them at the mid-point. Similarly, “misuse of a license” is shown at the lower end of the chart, but is currently considered a high-priority violation.

Additionally, the existing chart lists only 11 complaint categories, and does not clearly provide guidance for whole groups of complaints. For example, “diversion of funds” and “absentee Responsible Managing Officer” are both considered high-priority complaints, but are not included on the existing chart.

Finally, the existing chart includes the “complaint source” as a prioritization factor (along the “y” axis). This design element is visually confusing, and gives the incorrect impression that the source of the complaint is equal in determining prioritization weight



to complaint type. While complaint source is sometimes a consideration in case prioritization, that information is not always relevant – and seldom of equal weight to complaint type.

Proposed Prioritization Guidelines Chart

Staff have developed a new complaint prioritization chart to more accurately capture current board priorities and Enforcement division practices than the current version. While the actual prioritization of complaint types remains mostly unchanged in the new chart, the presentation is completely different. The chart's design was inspired by DCA's 2017 *Complaint Prioritization and Referral Guidelines*. CSLB's proposed chart groups 21 different complaint types into four prioritization categories: Urgent, High, Routine, and Low.

The proposed chart has the following significant advantages over the current chart:

- The use of four distinct prioritization categories – rather than a sliding scale – clearly and simply indicates how each complaint type should be ranked
- This prioritization is reinforced by color coding for each priority type
- The ranking of a few complaint types have been adjusted to more accurately reflect current board priorities
- The chart includes almost twice as many complaint categories (21 versus 11) to clearly convey to supervisors and managers how the most common complaint types should be prioritized
- The complaint source has been removed from the chart

Staff believes the proposed Complaint Prioritization Guidelines chart shown on the following page more clearly and accurately reflects the board's objectives and priorities for complaint handling than the current version.

Staff Recommendation

That the Enforcement Committee recommend to the full board adoption of the proposed Complaint Prioritization Guidelines chart.



Contractors State License Board Complaint Prioritization Guidelines

URGENT	<ul style="list-style-type: none">• Health & Safety Code Violations• Elder Abuse• Predatory Criminal Acts• Diversion of Funds• Media/Politically Sensitive Cases
HIGH	<ul style="list-style-type: none">• Aiding and Abetting/Misuse of a License• Fraud/Misrepresentation• Workers' Compensation Violations• Subsequent Arrest• Repeat Offender• Absentee Qualifier
ROUTINE	<ul style="list-style-type: none">• Workmanship• Abandonment• Working Out of Classification• Building Permit Violations• Public Contract Code Violations• Labor Code Violations• Unlicensed Activity
LOW	<ul style="list-style-type: none">• Stand-Alone Contract Violations• Advertising Violations• Failing to Display License Number• Bonds

AGENDA ITEM D

Update and Discussion on Enforcement Activities

1. Work with Joint Enforcement Strike Force
2. Partnership Opportunities for Mandatory Worker's Compensation for Specified Classifications
3. CSLB and Employment Development Department Memorandum of Understanding





“America has two economies, and one is flourishing at the expense of the other. First, there’s the legitimate economy, in which craftsmen are licensed and employers and employees pay taxes. Then there’s the fast-growing underground economy, where millions of workers are paid off-the-books, their incomes largely untaxed.” --“Going Underground,” Barron’s Online, January 3, 2005

Joint Enforcement Strike Force Background

The Joint Enforcement Strike Force (JESF) was established in 1995, to combat the underground economy by pooling resources and sharing data among the state agencies charged with enforcing licensing, labor, and payroll tax laws. The Employment Development Department (EDD) is the designated lead agency of the JESF, and the EDD Director or designee serves as its chair. The JESF members include:

- EDD – Tax Branch
- EDD – Investigation Division Criminal Tax Enforcement Program
- Department of Consumer Affairs
- Contractors State License Board
- Bureau of Automotive Repair
- Bureau of Security and Investigative Services
- Department of Industrial Relations – Division of Labor Standards Enforcement
- Department of Industrial Relations – Division of Occupational Safety and Health
- California Department of Insurance
- Franchise Tax Board
- California Tax and Fee Administration
- Department of Justice – Underground Economy Unit
- California Department of Alcoholic Beverage Control
- United States Department of Labor
- United States Internal Revenue Service

CSLB’s 2018 JESF Activities & Achievements

CSLB’s Statewide Investigative Fraud Team (SWIFT) plays a vital role supporting JESF’s efforts to thwart the underground economy. The contributions of SWIFT staff, as members of JESF, toward meeting Strike Force goals include the following.

CSLB Legal Actions

In 2018, SWIFT completed 4,103 investigations as a result of stings, sweeps, and leads. Of the 1,728 administrative or criminal legal actions that resulted from these investigations,



691 were licensee and non-licensee citations. Additionally, CSLB assessed \$809,000 in non-licensee citation civil penalties.

Calendar Year	2014	2015	2016	2017	2018
Accusations	8	3	10	12	30
Administrative Licensee Citations	221	350	409	432	368
Administrative Non-Licensee Citations	205	426	347	329	323
Criminal Referrals – Licensee	20	33	90	170	156
Criminal Referrals – Non-Licensee	463	743	791	905	851
Total Legal Actions	917	1,555	1,647	1,848	1,728

CSLB Stop Orders

In 2018, CSLB served 675 stop orders to construction employers, which prohibits the use of employee labor until workers’ compensation insurance is obtained.

Calendar Year	2014	2015	2016	2017	2018
Licensee Stop Orders Issued	154	259	258	366	374
Unlicensed Operator Stop Orders Issued	169	231	178	301	301
Total Stop Orders Issued	323	490	436	667	675
WC Policies Obtained	93	200	165	241	284
Licenses Suspended	38	31	49	26	68

CSLB Stings and Sweeps

CSLB performed 79 stings and 388 sweeps in 2018. The sting operations targeted unlicensed repeat offenders and wanted criminals who work in the construction industry. At stings, SWIFT investigators invite suspected unlicensed contractors and wanted criminals to homes to place bids on home improvement projects. Suspects were found by searching online advertisements and from leads from the CSLB’s Intake Mediation Center.

Construction site inspections or sweeps are also an effective way for CSLB to ensure contractor compliance with California’s licensing and workers’ compensation insurance requirements. Investigators with CSLB’s Statewide Investigative Fraud Teams fan out across the state throughout the year with investigators from partner agencies, showing up unannounced at active construction sites to check for appropriate licenses, permits, workers’ compensation insurance for employees, and adherence to safety rules.

Calendar Year	2014	2015	2016	2017	2018
Stings	72	91	84	76	79
Sweeps	82	148	243	320	388



CSLB License Suspensions

CSLB can suspend a license if the licensee is delinquent in paying outstanding liabilities due to CSLB or other state agencies. The table below summarizes liabilities owed to state agencies that were collected or resolved to avoid a license suspension or to have a suspended license reinstated.

Amounts Collected or Resolved					
Calendar Year	2014	2015	2016	2017	2018
CSLB	\$149,613	\$130,980	\$132,782	\$123,507	\$141,336
EDD	\$23,943,050	\$22,730,753	\$13,707,896	\$14,000,400	\$13,027,115
DIR-Cal/OSHA	\$265,788	\$815,684	\$784,421	\$445,698	\$2,778,901
DIR-DLSE	\$1,567,303	\$937,674	\$661,066	\$1,706,888	\$1,315,519
FTB	\$3,901,471	\$2,926,488	\$5,985,942	\$7,141,353	\$7,491,602
Totals	\$29,827,225	\$27,541,579	\$21,272,107	\$23,417,846	\$24,754,473

Mandatory Workers’ Comp for Specified Classifications Partnership Opportunities

On April 11, 2019, Registrar David Fogt made a presentation to JESF members about mandatory workers’ compensation insurance for certain license classifications. Attendees include representatives from the California Department of Insurance, the Employment Development Department, Franchise Tax Board, and Department of Industrial Relations. JESF members supported the proposal to mandate workers’ compensation insurance for specified license classifications (in addition to roofing), and offered ideas to ensure greater compliance with payroll reporting requirements, including:

1. Inspections targeted at classifications under consideration for mandatory workers’ compensation;
2. Collaboration with the Workers’ Compensation Insurance Rating Bureau to identify contractors underreporting payroll;
3. Meeting with the Uninsured Employers Benefit Trust Fund to obtain statistical information about workers filing a claim who were employed by a licensee in one of the prospective classifications for which WC may be mandated;
4. Supporting a legislative proposal to prohibit a licensee from filing a workers’ compensation exemption with CSLB for 12 months if found to have filed a false exemption; and



5. Utilizing CSLB consumer complaint information to identify candidates for a premium insurance fraud audit.

In addition, CDI reported at the meeting that \$40 million in grants have been awarded to district attorney offices in California to combat workers' compensation insurance fraud next year.

CSLB and EDD Memorandum of Understanding Renewed

On September 11, 2018, CSLB and EDD renewed their memorandum of understanding (MOU) for an additional three years. The agreement is intended to:

1. Increase the efficiency of the enforcement efforts of EDD and CSLB in locating fraudulent employers and encouraging compliance with state laws and regulations;
2. Allow joint prosecution of businesses that violate state laws and regulations; and
3. Provide EDD collectors with CSLB asset and demographic information for the collection of delinquent payroll taxes and withholding.

Additionally, the MOU defines the joint responsibilities of SWIFT and JESF as follows:

1. EDD and CSLB shall form teams to conduct, as needed, joint on-site inspections and investigations of licensed and unlicensed construction contractors operating in the underground economy. This will include the review of government agency records and files, interviewing employers and employees, and preparing reports of findings.
2. Each team (consisting of one EDD Tax Auditor and one CSLB investigator) will work jointly a minimum of two days per month conducting field investigations. The teams will operate in locations throughout the state over the period of this agreement.

The partnership between EDD and CSLB, solidified by the MOU, has resulted in the formation of eight teams conducting up to a total of 16 days of joint field investigations monthly. This far exceeds the expectation set forth in the agreement of two days per month.

AGENDA ITEM E

Adjournment



MAY 13, 2019
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Legislative
Committee Meeting



AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

LEGISLATIVE COMMITTEE MEMBERS:

LINDA CLIFFORD, CHAIR

KEVIN ALBANESE

AGUSTIN "AUGIE" BELTRAN

DAVID DIAS

SUSAN GRANZELLA

JOHNNY SIMPSON

Committee Chair Linda Clifford will review the scheduled Committee actions and make appropriate announcements.



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). Public comments will be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board should not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending administrative or criminal action.

- (1) If, during a Board or Committee meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.
- (2) If, during a Board or Committee meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:
 - (a) The Board or Committee may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or
 - (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board or Committee may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).
- (3) If a person becomes disruptive at the Board or Committee meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.



AGENDA ITEM C

Review, Discussion, and Possible Action on 2019-20 Pending Legislation

1. AB 193 (Patterson) Professions and Vocations
2. AB 613 (Low) Professions and Vocations: Regulatory Fees
3. AB 1551 (Daly) Property Assessed Clean Energy Program
4. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver
5. SB 610 (Glazer) Contractors: Licensing and Regulation
6. AB 1076 (Ting) Criminal Records: Automatic Relief
7. SB 255 (Bradford) Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community Choice Aggregators
8. SB 556 (Pan) Professional Land Surveyors and Engineers
9. AB 544 (Brough) Professions and Vocations:
Inactive License Fees and Accrued and Unpaid Renewal Fees
10. AB 1024 (Frazier) Home Inspectors: Licensing:
Contractors State License Board
11. AB 1545 (Oberholte) Civil Penalty Reduction Policy
12. SB 53 (Wilk) Open Meetings





Pending Legislation – Bill Summaries and Staff Recommendations

For convenience, below are summaries of the 12 bills contained in this section with staff recommendations.

- 1. AB 193 (Patterson) Professions and Vocations [SUPPORT]** Would require the Department of Consumer Affairs to review the license requirements of every board and bureau under its jurisdiction and identify unnecessary requirements. It would also require each board to submit biennial reports documenting their progress in facilitating “licensure portability for active duty service members, veterans, and military spouses.”
- 2. AB 613 (Low) Professions and Vocations: Regulatory Fees [SUPPORT]** Would authorize Department of Consumer Affairs boards and bureaus to raise licensing fees once every four years consistent with increases in the California Consumer Price Index.
- 3. AB 1551 (Daly) Property Assessed Clean Energy Program [SUPPORT]** Would prohibit a PACE assessment contract from containing a penalty for early payment, would require a property owner to be told that there will not be early repayment penalties, and would prohibit a PACE assessment contract from being executed unless a printed disclosure form is provided to the property owner.
- 4. SB 601 (Morrell) State Agencies: Licenses: Fee Waiver [SUPPORT]** Would authorize any state agency that issues a business or occupational license to reduce or waive fees for licensure, renewal of licensure, or replacement of a physical license for display for a licensee displaced by a state or federally declared emergency within one year of the incident.
- 5. SB 610 (Glazer) Contractors: Licensing and Regulation [SUPPORT]** Would extend CSLB’s “sunset” date and authorize the appointment of a registrar from January 1, 2020 to January 1, 2024; makes other changes to the California contractors’ state license law in response to CSLB’s 2018 Sunset Review Report and the Senate’s “omnibus” request for technical, non-substantive changes to the law.
- 6. AB 1076 (Ting) Criminal Records: Automatic Relief [WATCH]** Current law allows a petitioner to request that certain criminal offender record information be sealed. This bill would require the Department of Justice to automatically seal eligible arrest and conviction records without requiring any action from a petitioner.
- 7. SB 255 (Bradford) Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community Choice Aggregators [WATCH]** Would require CSLB to assist the Public Utilities Commission in identifying distributed energy resource contractors.



- 8. SB 556 (Pan) Professional Land Surveyors and Engineers [WATCH]** Would change the definition of civil engineering and land surveying and would differentiate these and other tasks in the area of design that are appropriate for a licensed contractor.
- 9. AB 544 (Brough) Professions and Vocations: Inactive License Fees and Accrued and Unpaid Renewal Fees [OPPOSE]** Would reduce the fee to reactivate an inactive license by 50 percent.
- 10. AB 1024 (Frazier) Home Inspectors: Licensing: Contractors State License Board [OPPOSE]** Would require, beginning January 1, 2022, a person who performs home inspections to obtain a license from CSLB.
- 11. AB 1545 (Oberholte) Civil Penalty Reduction Policy [OPPOSE]** Would require an agency that “significantly regulates small business” to: 1) assist small businesses in complying with the agency’s laws; 2) assist small businesses with an enforcement action taken by the agency; and 3) establish a policy to reduce civil penalties for a small business’s violation of the agency’s requirements.
- 12. SB 53 (Wilk) Open Meetings [OPPOSE]** Would subject two-person advisory committees of a state board to the Bagley-Keene Open Meeting Act.

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 193 (Patterson); (Coauthors: Bates, Nielsen, Morrell, Melendez, Gallagher, Lackey, Choi, Voepel)
Status/Location: Assembly Business and Professions Committee Hearing 4/23/19
Sponsor: Author
Subject: Professions and Vocations
Code Section: Adds Section 101.5 to the Business and Professions Code

Summary: This bill would require the Department of Consumer Affairs (DCA) to review the license requirements of every board and bureau under its jurisdiction and identify unnecessary requirements. It would also require each board to submit biennial reports documenting their progress in facilitating “licensure portability for active duty service members, veterans, and military spouses.”

Changes to Existing Law: This bill makes several changes to the Business and Professions Code (BPC) unrelated to CSLB; this analysis details only those changes relevant to DCA and CSLB.

Existing law establishes the DCA in the Business, Consumer Services, and Housing Agency to, among other things, ensure the adequate regulation of businesses and professions with a potential effect on the public health, safety, and welfare.

This bill creates a new section of law in the BPC that requires DCA to apply for federal funds that have been made available to review, update, and eliminate overly burdensome licensing requirements. The bill requires DCA to conduct a comprehensive review of all licensing requirements for each profession it regulates to identify unnecessary licensing requirements.

This bill requires every bureau and board (including CSLB) to submit to DCA every two years beginning February 1, 2021, an assessment of its progress in implementing policies to facilitate licensure portability for active duty service members, veterans, and military spouses. The bill provides that the assessment includes the following:

- The number of active duty service members, veterans, and military spouses who applied for licensure for each of the previous two calendar years;
- The board’s process for expediting applications for active duty service members, veterans, and military spouses; the average processing time; the number of requests; and the number of fees waived; and
- A list of the states with which the board maintains reciprocity agreements.

This bill requires that, beginning March 2023, DCA submit a biennial report to the Legislature that includes the information from each board's and bureau's assessment.

This bill defines "military spouse" to mean "a person who is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in this state under official active duty military orders."

This bill defines "unnecessary licensing requirement" as one that does not protect the health and safety of the public or a licensee or does not satisfy a national licensing or certification requirement.

Background: The bill declares that many entities, particularly the federal government, have "acknowledged the unnecessary burdens that occupational licensing places on otherwise qualified workers." The bill also declares that "unnecessary licensing" increases costs for consumers, restricts work opportunities, disproportionately affects minorities, exacerbates income equality, costs consumers \$200 billion nationally and costs Californians 195,917 jobs and \$22 billion in misallocated resources.

According to the bill fact sheet, California ranks as the most onerously licensed state and requires some sort of license for 76 out of 102 lower-paying jobs, with some license fees exceeding \$3,000. According to the author, burdensome licensure requirements prevent individuals, especially low-income individuals, from entering the workforce.

Support: None on file (4/18/2018)

Opposition: None on file (4/18/2018)

Fiscal Impact for CSLB: Pending

Staff Recommendation and Comments: SUPPORT. Implementing the requirements of this bill would not be burdensome for CSLB and the underlying policy of removing barriers to licensure is a board-approved 2019-21 strategic plan objective (Licensing and Testing division item 1.4).

Date: April 19, 2019

AMENDED IN ASSEMBLY MARCH 20, 2019

AMENDED IN ASSEMBLY MARCH 5, 2019

CALIFORNIA LEGISLATURE—2019—20 REGULAR SESSION

ASSEMBLY BILL

No. 193

Introduced by Assembly Member Patterson
(Coauthors: Assembly Members Choi, Gallagher, Lackey, Melendez,
and Voepel)

(Coauthors: Senators Bates, Morrell, and Nielsen)

January 10, 2019

An act to amend Sections 7316, 19011, 19017, 19051, 19059.5, 19060.6, and 19170 of, to add and repeal Section 101.5 of, and to repeal Sections 19010.1 and 19052 of, the Business and Professions Code, and to amend Section 110371 of the Health and Safety Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 193, as amended, Patterson. Professions and vocations.

(1) Existing law establishes the Department of Consumer Affairs in the Business, Consumer Services, and Housing Agency to, among other things, ensure that certain businesses and professions that have potential impact upon the public health, safety, and welfare are adequately regulated.

This bill would require the department, beginning on January 1, 2021, to conduct a comprehensive review of all licensing requirements for each profession regulated by a board within the department and identify unnecessary licensing requirements, as defined by the bill. *The bill, beginning February 1, 2021, and every 2 years thereafter, would require each board within the department to submit to the department an*

assessment on the board's progress in implementing policies to facilitate licensure portability for active duty service members, veterans, and military spouses that includes specified information. The bill would require the department to report to the Legislature on ~~January~~ March 1, 2023, and every 2 years thereafter, on the department's ~~progress,~~ *progress in conducting its review,* and would require the department to issue a final report to the Legislature no later than ~~January~~ March 1, 2033. The bill would require the biennial reports *to the Legislature to include the assessment information submitted by each board to the department,* to identify the professions ~~reviewed,~~ *reviewed by the department,* each unnecessary licensing requirement, and the department's recommendations to the Legislature on whether to keep, modify, or eliminate the unnecessary licensing requirement. The bill would require the department to apply for federal funds that have been made available specifically for the purpose of reviewing, updating, and eliminating overly burdensome licensing requirements, as provided.

(2) Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practice of cosmetology by the State Board of Barbering and Cosmetology in the department and defines the practice of both barbering and cosmetology to include shampooing the hair of any person. The act also specifies that, within the practice of cosmetology, there is the specialty branch of skin care, which includes applying makeup.

This bill would delete shampooing another person from the practice of barbering and cosmetology, and would delete the act of applying makeup on another person from the specialty practice of skin care. The bill would require a person who does not hold a barbering or cosmetology license to disclose that fact before the unlicensed person applies makeup to or shampoos the hair of another person.

(3) Existing law provides for the regulation of custom upholsterers by the Bureau of Household Goods and Services in the department, and requires every custom upholsterer to hold a custom upholsterer's license.

This bill would delete those provisions requiring licensure of custom upholsterers.

~~(4) The bill would make conforming and other nonsubstantive changes.~~

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

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Many entities, including the Federal Trade Commission, the
4 United States Department of Labor, and the Milton Marks “Little
5 Hoover” Commission on California State Government Organization
6 and Economy, have acknowledged the unnecessary burdens that
7 occupational licensing places on otherwise qualified workers.

8 (b) Unnecessary licensing increases costs for consumers and
9 restricts opportunities for workers.

10 (c) Researchers show that occupational licensing restrictions
11 can result in almost three million fewer jobs and a cost of over
12 \$200,000,000,000 to consumers.

13 (d) The Institute for Justice estimates that burdensome licensing
14 in California results in a loss of 195,917 jobs and \$22,000,000,000
15 in misallocated resources.

16 (e) California is the most broadly and onerously licensed state
17 in the nation and has been identified as the nation’s worst licensing
18 environment for workers in lower-income occupations.

19 (f) Licensing is also believed to disproportionately affect
20 minorities and exacerbate income inequality.

21 SEC. 2. Section 101.5 is added to the Business and Professions
22 Code, to read:

23 101.5. (a) The department shall apply for federal funds that
24 have been made available specifically for the purposes of
25 reviewing, updating, and eliminating overly burdensome licensing
26 requirements.

27 (b) Beginning on January 1, 2021, the department shall conduct
28 a comprehensive review of all licensing requirements for each
29 profession and shall identify unnecessary licensing requirements.
30 The department shall conduct the review whether or not the state
31 receives federal funds pursuant to subdivision (a).

32 (c) (1) *Beginning on February 1, 2021, and every two years*
33 *thereafter, each board identified in Section 101 shall submit to the*
34 *department an assessment on the board’s progress in implementing*
35 *policies to facilitate licensure portability for active duty service*
36 *members, veterans, and military spouses. The assessment shall*
37 *include the following information:*

1 (A) The number of active duty service members, veterans, and
 2 military spouses who applied for licensure for each of the previous
 3 two calendar years.

4 (B) The board’s process for expediting applications for active
 5 duty service members, veterans, and military spouses, the average
 6 processing time for an expedited application, and the number of
 7 expedited application requests received in each of the previous
 8 two calendar years.

9 (C) The number of applications for waived renewal fees
 10 submitted by active duty service members in each of the previous
 11 two calendar years.

12 (D) If the board issues temporary licenses pursuant to Section
 13 115.6, the duration of, and requirements for obtaining, the
 14 temporary license.

15 (E) Whether an applicant may apply, and the requirements, for
 16 licensure by endorsement.

17 (F) A list of the states with which the board maintains
 18 reciprocity agreements, if any.

19 (2) The department shall submit the information received
 20 pursuant to paragraph (1) as part of the report required to be
 21 submitted to the Legislature pursuant to subdivision (d).

22 (e)

23 (d) The department shall report to the Legislature on ~~January~~
 24 ~~March 1, 2023~~, and every two years thereafter until the department
 25 has completed its review, on the department’s progress in
 26 conducting the review. The department shall issue a final report
 27 to the Legislature no later than ~~January~~ ~~March 1, 2033~~. Each
 28 biennial report shall be organized by board and shall include all
 29 of the following:

30 (1) The professions reviewed by the department in the preceding
 31 two years.

32 (2) Unnecessary licensing requirements identified by the
 33 department for each profession reviewed.

34 (3) For each unnecessary licensing requirement, the department’s
 35 recommendation to the Legislature to keep, modify, or eliminate
 36 the unnecessary licensing requirement.

37 (4) For each unnecessary licensing requirement that the
 38 department recommends to keep, facts supporting the department’s
 39 recommendation.

1 (5) *The information submitted to the department pursuant to*
2 *paragraph (2) of subdivision (c).*

3 ~~(d)~~

4 (e) The department may use national licensing standards, where
5 applicable, as a baseline for evaluating the necessity of licensing
6 requirements.

7 ~~(e)~~

8 (f) For purposes of this section, the following definitions apply:

9 (1) *“Military spouse” means a person who is married to, or in*
10 *a domestic partnership or other legal union with, an active duty*
11 *member of the Armed Forces of the United States who is assigned*
12 *to a duty station in this state under official active duty military*
13 *orders.*

14 ~~(1)~~

15 (2) “Profession” means a profession or vocation regulated by a
16 board identified in Section 101.

17 ~~(2)~~

18 (3) “Unnecessary licensing requirement” means a licensing
19 requirement that does not satisfy either of the following criteria:

20 (A) Protects the health and safety of the public or a licensee.

21 (B) Satisfies a national licensing or certification requirement

22 ~~(f)~~

23 (g) A report to be submitted pursuant to subdivision ~~(e)~~ (d) shall
24 be submitted in compliance with Section 9795 of the Government
25 Code.

26 ~~(g)~~

27 (h) Notwithstanding Section 10231.5 of the Government Code,
28 this section is repealed on January 1, 2034.

29 SEC. 3. Section 7316 of the Business and Professions Code is
30 amended to read:

31 7316. (a) The practice of barbering is all or any combination
32 of the following practices:

33 (1) Shaving or trimming the beard or cutting the hair.

34 (2) Giving facial and scalp massages or treatments with oils,
35 creams, lotions, or other preparations either by hand or mechanical
36 appliances.

37 (3) Singeing, arranging, dressing, curling, waving, chemical
38 waving, hair relaxing, or dyeing the hair or applying hair tonics.

39 (4) Applying cosmetic preparations, antiseptics, powders, oils,
40 clays, or lotions to scalp, face, or neck.

- 1 (5)☐Hairstyling of all textures of hair by standard methods that
- 2 are current at the time of the hairstyling.
- 3 (b)☐The practice of cosmetology is all or any combination of
- 4 the following practices:
- 5 (1)☐Arranging, dressing, curling, waving, machineless permanent
- 6 waving, permanent waving, cleansing, cutting, relaxing, singeing,
- 7 bleaching, tinting, coloring, straightening, dyeing, applying hair
- 8 tonics to, beautifying, or otherwise treating by any means, the hair
- 9 of any person.
- 10 (2)☐Massaging, cleaning, or stimulating the scalp, face, neck,
- 11 arms, or upper part of the human body, by means of the hands,
- 12 devices, ~~apparatus~~ *apparatus*, or appliances, with or without the
- 13 use of cosmetic preparations, antiseptics, tonics, lotions, or creams.
- 14 (3)☐Beautifying the face, neck, arms, or upper part of the human
- 15 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
- 16 or creams.
- 17 (4)☐Removing superfluous hair from the body of any person by
- 18 the use of depilatories or by the use of tweezers, chemicals, or
- 19 preparations or by the use of devices or appliances of any kind or
- 20 description, except by the use of light waves, commonly known
- 21 as rays.
- 22 (5)☐Cutting, trimming, polishing, tinting, coloring, cleansing,
- 23 or manicuring the nails of any person.
- 24 (6)☐Massaging, cleansing, treating, or beautifying the hands or
- 25 feet of any person.
- 26 (c)☐Within the practice of cosmetology there exist the specialty
- 27 branches of skin care and nail care.
- 28 (1)☐Skin care is any one or more of the following practices:
- 29 (A)☐Giving facials, giving skin care, removing superfluous hair
- 30 from the body of any person by the use of depilatories, ~~tweezers~~
- 31 *tweezers*, or waxing, or applying eyelashes to any person.
- 32 (B)☐Beautifying the face, neck, arms, or upper part of the human
- 33 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
- 34 or creams.
- 35 (C)☐Massaging, cleaning, or stimulating the face, neck, arms,
- 36 or upper part of the human body, by means of the hands, devices,
- 37 apparatus, or appliances, with the use of cosmetic preparations,
- 38 antiseptics, tonics, lotions, or creams.
- 39 (2)☐Nail care is the practice of cutting, trimming, polishing,
- 40 coloring, tinting, cleansing, manicuring, or pedicuring the nails of

1 any person or massaging, cleansing, or beautifying from the elbow
2 to the fingertips or the knee to the toes of a y person.

3 (d) The practice of barbering and the practice of cosmetology
4 do not include any of the following:

5 (1) The mere sale, fitting, or styling of wigs or hairpieces.

6 (2) Natural hair braiding. Natural hair braiding is a service that
7 results in tension on hair strands or roots by twisting, wrapping,
8 weaving, extending, locking, or braiding by hand or mechanical
9 device, provided that the service does not include haircutting or
10 the application of dyes, reactive chemicals, or other preparations
11 to alter the color of the hair or to straighten, curl, or alter the
12 structure of the hair.

13 (3) Threading. Threading is a technique that results in removing
14 hair by twisting thread around unwanted hair and pulling it from
15 the skin and the incidental trimming of eyebrow hair.

16 (4) Shampooing hair. However, before a person who does not
17 hold a barbering or cosmetology license shampoos the hair of
18 another person, the unlicensed person shall disclose verbally or in
19 writing to the other person that they do not hold a barbering or
20 cosmetology license.

21 (5) Applying makeup. However, before a person who does not
22 hold a barbering or cosmetology license applies makeup to another
23 person, the unlicensed person shall disclose verbally or in writing
24 to the other person that they do not hold a barbering or cosmetology
25 license.

26 (e) Notwithstanding paragraph (2) of subdivision (d), a person
27 who engages in natural hairstyling, which is defined as the
28 provision of natural hair braiding services together with any of the
29 services or procedures defined within the regulated practices of
30 barbering or cosmetology, is subject to regulation pursuant to this
31 chapter and shall obtain and maintain a barbering or cosmetology
32 license as applicable to the services respectively offered or
33 performed.

34 (f) Electrolysis is the practice of removing hair from, or
35 destroying hair on, the human body by the use of an electric needle
36 only.

37 “Electrolysis” as used in this chapter includes electrolysis or
38 thermolysis.

39 SEC. 4. Section 19010.1 of the Business and Professions Code
40 is repealed.

1 SEC. 5. Section 19011 of the Business and Professions Code
2 is amended to read:

3 19011. “Manufacturer” means a person who, either by
4 themselves or through employees or agents, makes any article of
5 upholstered furniture or bedding in whole or in part, using either
6 new or secondhand material.

7 SEC. 6. Section 19017 of the Business and Professions Code
8 is amended to read:

9 19017. “Owner’s material” means any article or material
10 belonging to a person for their own, or their tenant’s use, that is
11 sent to any manufacturer or bedding renovator or used in repairing
12 or renovating.

13 SEC. 7. Section 19051 of the Business and Professions Code
14 is amended to read:

15 19051. Every upholstered-furniture retailer, unless the person
16 holds an importer’s license, a furniture and bedding manufacturer’s
17 license, a wholesale furniture and bedding dealer’s license, or a
18 retail furniture and bedding dealer’s license, shall hold a retail
19 furniture dealer’s license.

20 (a)¶This section does not apply to a person whose sole business
21 is designing and specifying for interior spaces, and who purchases
22 specific amenable upholstered furniture items on behalf of a client,
23 provided that the furniture is purchased from an appropriately
24 licensed importer, wholesaler, or retailer. This section does not
25 apply to a person who sells “used” and “antique” furniture as
26 defined in Sections 19008.1 and 19008.2.

27 (b)¶This section does not apply to a person who is licensed as
28 a home medical device retail facility by the State Department of
29 Health Services, provided that the furniture is purchased from an
30 appropriately licensed importer, wholesaler, or retailer.

31 SEC. 8. Section 19052 of the Business and Professions Code
32 is repealed.

33 SEC. 9. Section 19059.5 of the Business and Professions Code
34 is amended to read:

35 19059.5. Every sanitizer shall hold a sanitizer’s license unless
36 the person is licensed as a home medical device retail facility by
37 the State Department of Health Services or as an upholstered
38 furniture and bedding manufacturer, retail furniture and bedding
39 dealer, or retail bedding dealer.

1 SEC. 10. Section 19060.6 of the Business and Professions
2 Code is amended to read:

3 19060.6. Every person who, on their own account, advertises,
4 solicits, or contracts to manufacture upholstered furniture or
5 bedding, and who either does the work themselves or has others
6 do it, shall obtain the particular license required by this chapter
7 for the particular type of work that the person solicits or advertises
8 that the person will do, regardless of whether the person has a shop
9 or factory.

10 SEC. 11. Section 19170 of the Business and Professions Code
11 is amended to read:

12 19170. (a) The fee imposed for the issuance and for the
13 biennial renewal of each license granted under this chapter shall
14 be set by the chief, with the approval of the director, at a sum not
15 more nor less than that shown in the following table:

	Maximum	Minimum
	fee	fee
19 Importer’s license	\$940	\$120
20 Furniture and bedding manufacturer’s		
21 license	\$940	\$120
22 Wholesale furniture and bedding		
23 dealer’s license	\$675	\$120
24 Supply dealer’s license	\$675	\$120
25		
26 Sanitizer’s license	\$450	\$80
27 Retail furniture and bedding dealer’s license	\$300	\$40
28 Retail furniture dealer’s license	\$150	\$20
29 Retail bedding dealer’s license	\$150	\$20
30		

31 (b) Individuals who, in their own homes and without the
32 employment of any other person, make, sell, advertise, or contract
33 to make pillows, quilts, quilted pads, or comforters are exempt
34 from the fee requirements imposed by subdivision (a). However,
35 these individuals shall comply with all other provisions of this
36 chapter.

37 (c) Retailers who only sell “used” and “antique” furniture as
38 defined in Sections 19008.1 and 19008.2 are exempt from the fee
39 requirements imposed by subdivision (a). Those retailers are also
40 exempt from the other provisions of this chapter.

1 (d) A person who makes, sells, or advertises upholstered
2 furniture and bedding as defined in Sections 19006 and 19007,
3 and who also makes, sells, or advertises furniture used exclusively
4 for the purpose of physical fitness and exercise, shall comply with
5 the fee requirements imposed by subdivision (a).

6 (e) A person who has paid the required fee and who is licensed
7 as an upholstered furniture and bedding manufacturer under this
8 chapter shall not be required to additionally pay the fee for a
9 sanitizer’s license.

10 SEC. 12. Section 110371 of the Health and Safety Code is
11 amended to read:

12 110371. (a) A professional cosmetic manufactured on or after
13 July 1, 2020, for sale in this state shall have a label affixed on the
14 container that satisfies all of the labeling requirements for any
15 other cosmetic pursuant to the Federal Food, Drug, and Cosmetic
16 Act (21 U.S.C. Sec. 301, et seq.), and the federal Fair Packaging
17 and Labeling Act (15 U.S.C. Sec. 1451, et seq.):

18 (b) The following definitions shall apply to this section:

19 (1) “Ingredient” has the same meaning as in Section 111791.5.

20 (2) “Professional” means a person that has been granted a license
21 by the State Board of Barbering and Cosmetology to practice in
22 the field of cosmetology, barbering, or esthetics.

23 (3) “Professional cosmetic” means a cosmetic product as it is
24 defined in Section 109900 that is intended or marketed to be used
25 only by a professional on account of a specific ingredient, increased
26 concentration of an ingredient, or other quality that requires safe
27 handling, or is otherwise used by a professional.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 613 (Low)
Status/Location: Assembly Third Reading File
Sponsor: Author
Subject: Professions and Vocations: Regulatory Fees
Code Section: Add section 101.1 to the Business and Professions Code

Summary: This bill authorizes Department of Consumer Affairs (DCA) boards and bureaus to raise licensing fees once every four years consistent with the California Consumer Price Index increase.

Existing law establishes CSLB licensing and application fees according to a schedule set by statute; CSLB may also set fees by regulation (Business and Professions Code (BPC) section 7137). Consequently, under existing law, CSLB may only raise fees by either engaging in the regulatory or legislative process, processes which can take many months (by statute) or up to two years (by regulation).

This bill would add section 101.1 to the BPC to provide that any board or bureau within DCA may increase any fee, without engaging in the regulatory process, by an amount “not to exceed the increase in the California Consumer Price Index” (CPI) for the preceding four years. The DCA director would be required to approve any proposed increase, unless the fee exceeds the cost of the services it is funding, or the board has two years’ worth of unencumbered funds in an amount larger than its operating budget, or the director determines the fee is injurious to public health, safety, or welfare.

Background: According to the author’s office, the burden of having to raise fees by statute or regulation results in many boards and bureaus delaying fee increases to a point that their ongoing operations are affected. When fees are finally raised as needed, enough time has usually passed that the resulting increase is significant. Sudden sharp increases are unfair to licensees and makes fee adjustments controversial.

The CPI is used to evaluate the purchasing power of a dollar over time to identify a value of a service between a prior date and present day. The author states, “by allowing boards to easily adjust fees by an amount that simply conforms with CPI, boards are able to make modest, regularly scheduled changes to what they charge licensees, which will promote healthier fund conditions without the need for formal rulemaking.”

Support: (4/16/19)
California Board of Accountancy
California Pharmacists Association

Opposition: (4/16/19)
California Orthopedic Association

Fiscal Impact for CSLB: No impact.

Staff Recommendation and Comments: **Support.** There are no ostensible downsides to this bill.

Date: April 16, 2019

ASSEMBLY BILL

No. 613

Introduced by Assembly Member Low

February 14, 2019

An act to add Section 101.1 to the Business and Professions Code, relating to professions and vocations, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 613, as introduced, Low. Professions and vocations: regulatory fees.

Existing law establishes the Department of Consumer Affairs, which is comprised of boards that are established for the purpose of regulating various professions and vocations, and generally authorizes a board to charge fees for the reasonable regulatory cost of administering the regulatory program for the profession or vocation. Existing law establishes the Professions and Vocations Fund in the State Treasury, which consists of specified special funds and accounts, some of which are continuously appropriated.

This bill would authorize each board within the department to increase every 4 years any fee authorized to be imposed by that board by an amount not to exceed the increase in the California Consumer Price Index for the preceding 4 years, subject to specified conditions. The bill would require the Director of Consumer Affairs to approve any fee increase proposed by a board except under specified circumstances. By authorizing an increase in the amount of fees deposited into a continuously appropriated fund, this bill would make an appropriation.

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

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

1 SECTION 1. Section 101.1 is added to the Business and
2 Professions Code, to read:
3 101.1. (a) Notwithstanding any other law, no more than once
4 every four years, any board listed in Section 101 may increase any
5 fee authorized to be imposed by that board by an amount not to
6 exceed the increase in the California Consumer Price Index, as
7 determined pursuant to Section 2212 of the Revenue and Taxation
8 Code, for the preceding four years in accordance with the
9 following:
10 (1) The board shall provide its calculations and proposed fee,
11 rounded to the nearest whole dollar, to the director and the director
12 shall approve the fee increase unless any of the following apply:
13 (A) The board has unencumbered funds in an amount that is
14 equal to more than the board’s operating budget for the next two
15 fiscal years.
16 (B) The fee would exceed the reasonable regulatory costs to the
17 board in administering the provisions for which the fee is
18 authorized.
19 (C) The director determines that the fee increase would be
20 injurious to the public health, safety, or welfare.
21 (2) The adjustment of fees and publication of the adjusted fee
22 list is not subject to the Administrative Procedure Act (Chapter
23 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
24 Title 2) of the Government Code.
25 (b) For purposes of this section, “fee” includes any fees
26 authorized to be imposed by a board for regulatory costs. “Fee”
27 does not include administrative fines, civil penalties, or criminal
28 penalties.

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1551 (Daly)
Status/Location: Assembly Banking and Finance Committee Hearing 4/22/19
Sponsor: California Association of Realtors
Subject: Property Assessed Clean Energy (PACE) Program
Code Section: Amend Section 22684 of the Financial Code; Amend Section 5913 and add Section 5913.1 to the Streets and Highways Code

Summary: This bill would prohibit a PACE assessment contract from containing a penalty for early payment, would require a property owner to be told that there will not be early repayment penalties, and would prohibit a PACE assessment contract from being executed unless a printed disclosure form is provided to the property owner.

Existing law related to the PACE program allows public agencies to enter voluntary contractual assessments with property owners to finance clean energy improvements that are permanently affixed to their home. A PACE “program administrator” administers a PACE program on behalf of a participating public agency.

Existing law prohibits a program administrator from executing an assessment contract – and prohibits work from commencing under a home improvement contract financed by the assessment contract – unless several different criteria are met. For example, the program administrator must ensure the financing is less than 15 percent of the value of the homeowner’s property and that the property owner is current on all mortgage debt and has not had recent late payments.

Existing law also requires the program administrator to make several oral confirmations to the property owner before the assessment contract is executed, such as confirming in plain language the key terms of the assessment contract, and discussing with the property owner how much money he or she will need to save in order to pay the annual costs under the assessment contract.

This bill would prohibit the sale of an assessment contract that contains a penalty for early repayment. This bill would also require, among the oral confirmations that must be made to the property owner, that they may make early repayments without penalty.

This bill requires the program administrator, before the contract is executed, to complete and deliver to the property owner a printed copy of the disclosure outlined in the bill in no smaller than 12-point type. The disclosure summarizes and explains important terms and provisions and provides that the property owner read the disclosure before agreeing to the PACE assessment.

Background:

According to the author, “AB 1551 aims to clarify and simplify the PACE contract disclosures in a consumer-friendly way, so homeowners are less likely to find themselves in a situation with financing they did not understand.”

The author states that the existing disclosures required for PACE assessment contracts do not disclose how much property taxes will increase each year because of the assessments, nor do they make it clear that PACE financing is not through the government but through private enterprises, some of which have pre-payment penalties. As such, AB 1551 “clarifies and simplifies key terms and considerations that homeowners should know prior to signing an assessment contract” and prohibits prepayment penalties.

Support:

California Association of Realtors
California Land Title Association
Consumer Attorneys of California

Opposition:

None currently on file (4/16/19)

Fiscal Impact for CSLB: No Impact

Staff Recommendation and Comments: SUPPORT. In June 2018, the board voted to support SB 1087 (Roth), which made it unlawful to begin work under a home improvement contract if the property owner was not ultimately approved for the PACE financing applied for. This bill affords additional protections to consumers who contract for PACE financing. Further, the new disclosure requirement of this bill complements the ongoing efforts of CSLB staff to implement the solar energy system disclosures of AB 1070 (Gonzalez-Fletcher, 2017).

Date: April 17, 2019

AMENDED IN ASSEMBLY APRIL 1, 2019
AMENDED IN ASSEMBLY MARCH 28, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1551

Introduced by Assembly Member Daly

February 22, 2019

An act to amend Section 22684 of the Financial Code, and to amend Section 5913 ~~of~~ *of*, and to add Section 5913.1 to, the Streets and Highways Code, relating to financial institutions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1551, as amended, Daly. Property Assessed Clean Energy program.

(1) Existing law, commonly known as the Property Assessed Clean Energy (PACE) program, authorizes public agency officials and property owners, as provided, to enter into voluntary contractual assessments, known as PACE assessments, to finance the installation of distributed generation renewable energy sources or energy or water efficiency improvements that are permanently fixed to real property.

Existing law, the California Financing Law (CFL), requires a program administrator who administers a PACE program on behalf of, and with the written consent of, a public agency to comply with specified requirements relating to the PACE program.

The CFL prohibits a program administrator from executing an assessment contract, prohibits any work from commencing under a home improvement contract that is financed by that assessment contract, and prohibits the execution of that home improvement contract, unless

the program administrator ensures that certain criteria related to that assessment contract are satisfied.

This bill would include within the criteria that an assessment contract is required to meet that the contract does not contain a penalty for early payment.

(2) Existing law requires a program administrator to provide an oral confirmation of the key terms of an assessment contract with the property owner on the call, or the property owner’s authorized representative, and to retain a copy of a recording of that confirmation for a period of 5 years after the recording is made. Existing law requires that oral confirmation to contain specified information

The bill would require a program administrator to include in that oral confirmation that the property owner may repay an amount owed pursuant to an assessment contract before the date that amount is due under the contract without early repayment penalty.

This bill would prohibit a property owner from executing an assessment contract unless the program administrator completes and delivers a printed disclosure form to the property owner. The bill would require that disclosure form to list various information related to the terms of the contract, including that the PACE assessment is not with the government and that the assessment contract will be recorded as a lien on the property owner’s property.

The bill would also make nonsubstantive changes.

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

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

- 1 SECTION 1. Section 22684 of the Financial Code is amended
- 2 to read:
- 3 22684. A program administrator shall not execute an
- 4 assessment contract, and no work shall commence under a home
- 5 improvement contract that is financed by that assessment contract
- 6 nor shall that home improvement contract be executed unless the
- 7 following criteria are satisfied:
- 8 (a) All property taxes for the property that will be subject to the
- 9 assessment contract are current. The program administrator shall
- 10 ask a property owner whether there has been no more than one
- 11 late payment of property taxes on the property for the previous

1 three years or since the current owner acquired the property,
2 whichever period is shorter.

3 (b) The property that will be subject to the assessment contract
4 has no recorded and outstanding involuntary liens in excess of one
5 thousand dollars (\$1,000).

6 (c) The property that will be subject to the assessment contract
7 has no notices of default currently recorded that have not been
8 rescinded.

9 (d) The property owner has not been a party to any bankruptcy
10 proceedings within the last four years, except that the property
11 owner may have been party to a bankruptcy proceeding that was
12 discharged or dismissed between two and four years before the
13 application date and the property owner has had no payments more
14 than 30 days past due on any mortgage debt or nonmortgage debt,
15 excluding medical debt, during the 12 months immediately
16 preceding the application date.

17 (e) The property owner is current on all mortgage debt on the
18 subject property and has no more than one late payment during
19 the six months immediately preceding the application date and if
20 the late payment did not exceed 30 days past due.

21 (f) The property that will be subject to the assessment contract
22 is within the geographical boundaries of the applicable PACE
23 program.

24 (g) The measures to be installed pursuant to the assessment
25 contract are eligible under the terms of the applicable PACE
26 program.

27 (h) The financing is for less than 15 percent of the value of the
28 property, up to the first seven hundred thousand dollars (\$700,000)
29 inclusive of the existing assessments, and is for less than 10 percent
30 of the remaining value of the property above seven hundred
31 thousand dollars (\$700,000).

32 (i) The total PACE assessments and the mortgage-related debt
33 on the property subject to the PACE assessment will not exceed
34 97 percent of the market value of the property as established by
35 the valuation required by Section 22685.

36 (j) The term of the assessment contract shall not exceed the
37 estimated useful life of the measure to which the greatest portion
38 of funds disbursed under the assessment contract is attributable.
39 The program administrator shall determine useful life for purposes
40 of this subdivision based upon credible third-party standards or

1 certification criteria that have been established by appropriate
2 government agencies or nationally recognized standards and testing
3 organizations.

4 (k) The program administrator shall verify the existence of
5 recorded PACE assessments and shall ask if the property owner
6 has authorized additional PACE assessments on the same subject
7 property that have not yet been recorded. The failure of a property
8 owner to comply with this subdivision shall not invalidate an
9 assessment contract or any obligations thereunder, notwithstanding
10 if the combined amount of the PACE assessments exceed the
11 criteria set forth in subdivision (h) or (i). The existence of a prior
12 PACE assessment or a prior assessment contract shall not constitute
13 evidence that the assessment contract under consideration is
14 affordable or meets any other program requirements.

15 (l) The assessment contract does not contain a penalty for early
16 repayment of an amount owed under the contract.

17 (m) The program administrator shall use commercially
18 reasonable and available methods to verify the above.

19 SEC. 2. Section 5913 of the Streets and Highways Code, as
20 amended by Chapter 837 of the Statutes of 2018, is amended to
21 read:

22 5913. (a) (1) Before a property owner executes an assessment
23 contract the program administrator shall do the following:

24 (A) Make an oral confirmation that at least one owner of the
25 property has a copy of the contract assessment documents required
26 by paragraph (2) of subdivision (a) of Section 5898.20 or Section
27 5899, 5899.3, or 5899.4, or Section 53328.1 of the Government
28 Code, as applicable, with all the key terms completed, the financing
29 estimate and disclosure form specified in Section 5898.17, and the
30 right to cancel form specified in Section 5898.16, with hard copies
31 available upon request.

32 (B) Make an oral confirmation of the key terms of the
33 assessment contract, in plain language, with the property owner
34 on the call or to a verified authorized representative of the owner
35 on the call and shall obtain acknowledgment from the property
36 owner on the call to whom the oral confirmation is given.

37 (2) The oral confirmation required pursuant to paragraph (1)
38 shall include, but is not limited to, all of the following information:

39 (A) The property owner on the call has the right to have other
40 persons present for the call, and an inquiry as to whether the

1 property owner would like to exercise the right to include anyone
2 else on the call. This shall occur at the onset of the call, after the
3 determination of the preferred language of communication.

4 (B) The property owner on the call is informed that they should
5 review the assessment contract and financing estimate and
6 disclosure form with all other owners of the property.

7 (C) The efficiency improvement being installed is being financed
8 by a PACE assessment.

9 (D) The total estimated annual costs the property owner will
10 have to pay under the assessment contract, including applicable
11 fees.

12 (E) The total estimated average monthly amount of funds the
13 property owner would have to save in order to pay the annual costs
14 under the PACE assessment, including applicable fees.

15 (F) That the county annual secured property tax bill, which will
16 include the installment of the PACE lien, will be mailed by the
17 county tax collector no later than November 1 each year, and that
18 if the lien is recorded after the fiscal year closes but before the bill
19 is mailed, the first installment may not appear on the county tax
20 bill until the following year.

21 (G) The term of the assessment contract.

22 (H) That payments on the assessment contract will be made
23 through an additional annual assessment on the property and paid
24 either directly to the county tax collector's office as part of the
25 total annual secured property tax bill, or through the property
26 owner's mortgage impound account, and that if the property owner
27 pays taxes through an impound account, the property owner should
28 notify the property owner's mortgage lender to discuss adjusting
29 the monthly mortgage payment by the estimated monthly cost of
30 the PACE assessment.

31 (I) That the property will be subject to a lien during the term of
32 the assessment contract and that the obligations under the
33 assessment contract may be required to be paid in full before the
34 property owner sells or refinances the property.

35 (J) That the property owner has disclosed whether the property
36 has received or is seeking additional PACE assessments and has
37 disclosed all other PACE assessments or special taxes that are or
38 about to be placed on the property, if known to and understood by
39 the property owner.

1 (K) That any potential utility savings are not guaranteed, and
2 will not reduce the assessment payments or total assessment
3 amount.

4 (L) That the program administrator and contractor do not provide
5 tax advice, and that the property owner should seek professional
6 tax advice if the property owner has questions regarding tax credits,
7 tax deductibility, or of other tax impacts on the PACE assessment
8 or assessment contract.

9 (M) That if that property tax payment is delinquent within the
10 fiscal year, the county tax collector will assess a 10-percent penalty
11 and may assess related costs, as required by state law. A delinquent
12 payment also subjects the property to foreclosure. If the delinquent
13 payment continues past June 30 of a given year and defaults, the
14 county tax collector will assess penalties at the rate of 1 ½ percent
15 per month (18 percent per year), and the property will continue to
16 be subject to foreclosure and may become subject to the county
17 tax collector’s right to sell the property at auction.

18 (N) That the property owner has a three-business day right to
19 cancel the assessment contract pursuant to subdivision (b) of
20 Section 5898.16, and that canceling the assessment contract may
21 also cancel the home improvement contract under Section 5940.

22 (O) That it is the responsibility of the property owner to contact
23 the property owner’s home insurance provider to determine whether
24 the efficiency improvement to be financed by the PACE assessment
25 is covered by the property owner’s insurance plan.

26 (P) That the property owner may repay an amount owed pursuant
27 to an assessment contract before the date that amount is due under
28 the contract without early repayment penalty.

29 (b) The program administrator shall comply with the following
30 when giving the oral confirmation described in subdivision (a):

31 (1) The program administrator shall record the oral confirmation
32 in an audio format in accordance with applicable laws.

33 (2) The program administrator may not comply with the
34 requirement in subdivision (a) through the use of a prerecorded
35 message, or other similar device or method.

36 (3) Recording of an oral confirmation shall be retained by the
37 program administrator for a period of at least five years from the
38 time of the recording.

1 (c) The provisions of this section shall be in addition to the
2 documents required to be provided to the property owner under
3 Sections 5898.16 and 5898.17.

4 (d) At the commencement of the oral confirmation, the program
5 administrator shall ask if the property owner on the call would
6 prefer to communicate during the oral confirmation primarily in
7 a language other than English that is specified in Section 1632 of
8 the Civil Code. If the preferred language is supported by the
9 program administrator, the oral confirmation shall be given in that
10 primary language, except where the property owner on the call
11 chooses to communicate through the property owner's own
12 interpreter. If the preferred language is not supported and an
13 interpreter is not chosen by the property owner on the call, the
14 PACE assessment transaction shall not proceed. For purposes of
15 this subdivision, "the property owner's own interpreter" means a
16 person, who is not a minor, is able to speak fluently and read with
17 full understanding both the English language and any of the
18 languages specified in Section 1632 of the Civil Code, and who
19 is not employed by, and whose services are not made available
20 through, the program administrator, the public agency, or the
21 contractor.

22 (e) (1) Beginning on January 1, 2019, if the oral confirmation
23 was conducted primarily in a language other than English that is
24 specified in Section 1632 of the Civil Code, the program
25 administrator shall deliver in writing the disclosures and contract
26 or agreement required by law, including, but not limited to, the
27 following:

28 (A) Assessment contract documents specified in paragraph (2)
29 of subdivision (a) of Section 5898.20 or Section 5899, 5899.3, or
30 5899.4, or a special tax described in Section 53328.1 of the
31 Government Code.

32 (B) The financing estimate and disclosure form specified in
33 Section 5898.17.

34 (C) The right to cancel form specified in Section 5898.16.

35 (2) Before the execution of any contract or agreement described
36 in paragraph (1), the program administrator shall deliver a
37 translation of the disclosures, contract, or agreement in the
38 language in which the oral confirmation was conducted, that
39 includes a translation of every term and condition in that contract
40 or agreement.

1 (f) This section shall remain in effect only until January 1, 2029,
2 and as of that date is repealed.

3 SEC. 3. Section 5913 of the Streets and Highways Code, as
4 added by Chapter 837 of the Statutes of 2018, is amended to read:

5 5913. (a)(1) Before a property owner executes an assessment
6 contract the program administrator shall do the following:

7 (A) Make an oral confirmation that at least one owner of the
8 property has a copy of the contract assessment documents required
9 by paragraph (2) of subdivision (a) of Section 5898.20 or Section
10 5899 or 5899.3, or Section 53328.1 of the Government Code, as
11 applicable, with all the key terms completed, the financing estimate
12 and disclosure form specified in Section 5898.17, and the right to
13 cancel form specified in Section 5898.16, with hard copies
14 available upon request.

15 (B) Make an oral confirmation of the key terms of the
16 assessment contract, in plain language, with the property owner
17 on the call or to a verified authorized representative of the owner
18 on the call and shall obtain acknowledgment from the property
19 owner on the call to whom the oral confirmation is given.

20 (2) The oral confirmation required pursuant to paragraph (1)
21 shall include, but is not limited to, all the following information:

22 (A) The property owner on the call has the right to have other
23 persons present for the call, and an inquiry as to whether the
24 property owner would like to exercise the right to include anyone
25 else on the call. This shall occur at the onset of the call, after the
26 determination of the preferred language of communication.

27 (B) The property owner on the call is informed that they should
28 review the assessment contract and financing estimate and
29 disclosure form with all other owners of the property.

30 (C) The efficiency improvement being installed is being financed
31 by a PACE assessment.

32 (D) The total estimated annual costs the property owner will
33 have to pay under the assessment contract, including applicable
34 fees.

35 (E) The total estimated average monthly amount of funds the
36 property owner would have to save in order to pay the annual costs
37 under the PACE assessment, including applicable fees.

38 (F) That the county annual secured property tax bill, which will
39 include the installment of the PACE lien, will be mailed by the
40 county tax collector no later than November 1 each year, and that

1 if the lien is recorded after the fiscal year closes but before the bill
2 is mailed, the first installment may not appear on the county tax
3 bill until the following year.

4 (G) That the term of the assessment contract.

5 (H) That payments on the assessment contract will be made
6 through an additional annual assessment on the property and paid
7 either directly to the county tax collector's office as part of the
8 total annual secured property tax bill, or through the property
9 owner's mortgage impound account, and that if the property owner
10 pays taxes through an impound account, the property owner should
11 notify the property owner's mortgage lender to discuss adjusting
12 the monthly mortgage payment by the estimated monthly cost of
13 the PACE assessment.

14 (I) That the property will be subject to a lien during the term of
15 the assessment contract and that the obligations under the
16 assessment contract may be required to be paid in full before the
17 property owner sells or refinances the property .

18 (J) That the property owner has disclosed whether the property
19 has received or is seeking additional PACE assessments and has
20 disclosed all other PACE assessments or special taxes that are or
21 about to be placed on the property, if known to and understood by
22 the property owner.

23 (K) That any potential utility savings are not guaranteed, and
24 will not reduce the assessment payments or total assessment
25 amount.

26 (L) That the program administrator and contractor do not provide
27 tax advice, and that the property owner should seek professional
28 tax advice if the property owner has questions regarding tax credits,
29 tax deductibility, or of other tax impacts on the PACE assessment
30 or assessment contract.

31 (M) That if that property tax payment is delinquent within the
32 fiscal year, the county tax collector will assess a 10-percent penalty
33 and may assess related costs, as required by state law. A delinquent
34 payment also subjects the property to foreclosure. If the delinquent
35 payment continues past June 30 of a given year and defaults, the
36 county tax collector will assess penalties at the rate of 1 ½ percent
37 per month (18 percent per year), and the property will continue to
38 be subject to foreclosure and may become subject to the county
39 tax collector's right to sell the property at auction.

1 (N) That the property owner has a three-business day right to
2 cancel the assessment contract pursuant to subdivision (b) of
3 Section 5898.16, and that canceling the assessment contract may
4 also cancel the home improvement contract under Section 5940.

5 (O) That it is the responsibility of the property owner to contact
6 the property owner’s home insurance provider to determine whether
7 the efficiency improvement to be financed by the PACE assessment
8 is covered by the property owner’s insurance plan.

9 (P) That the property owner may repay an amount owed pursuant
10 to an assessment contract prior to the date that amount is due under
11 the contract without early repayment penalty.

12 (b) The program administrator shall comply with the following
13 when giving the oral confirmation described in subdivision (a):

14 (1) The program administrator shall record the oral confirmation
15 in an audio format in accordance with applicable laws.

16 (2) The program administrator may not comply with the
17 requirement in subdivision (a) through the use of a prerecorded
18 message, or other similar device or method.

19 (3) Recording of an oral confirmation shall be retained by the
20 program administrator for a period of at least five years from the
21 time of the recording.

22 (c) The provisions of this section shall be in addition to the
23 documents required to be provided to the property owner under
24 Sections 5898.16 and 5898.17.

25 (d) At the commencement of the oral confirmation, the program
26 administrator shall ask if the property owner on the call would
27 prefer to communicate during the oral confirmation primarily in
28 a language other than English that is specified in Section 1632 of
29 the Civil Code. If the preferred language is supported by the
30 program administrator, the oral confirmation shall be given in that
31 primary language, except where the property owner on the call
32 chooses to communicate through the property owner’s own
33 interpreter. If the preferred language is not supported and an
34 interpreter is not chosen by the property owner on the call, the
35 PACE assessment transaction shall not proceed. For purposes of
36 this subdivision, “the property owner’s own interpreter” means a
37 person, who is not a minor, is able to speak fluently and read with
38 full understanding both the English language and any of the
39 languages specified in Section 1632 of the Civil Code, and who
40 is not employed by, and whose services are not made available

1 through, the program administrator, the public agency, or the
2 contractor.

3 (e) (1) Beginning on January 1, 2019, if the oral confirmation
4 was conducted primarily in a language other than English that is
5 specified in Section 1632 of the Civil Code, the program
6 administrator shall deliver in writing the disclosures and contract
7 or agreement required by law, including, but not limited to, the
8 following:

9 (A) Assessment contract documents specified in paragraph (2)
10 of subdivision (a) of Section 5898.20 or Section 5899 or 5899.3,
11 or a special tax described in Section 53328.1 of the Government
12 Code.

13 (B) The financing estimate and disclosure form specified in
14 Section 5898.17.

15 (C) The right to cancel form specified in Section 5898.16.

16 (2) Before the execution of any contract or agreement described
17 in paragraph (1), the program administrator shall deliver a
18 translation of the disclosures, contract, or agreement in the
19 language in which the oral confirmation was conducted, that
20 includes a translation of every term and condition in that contract
21 or agreement.

22 (f) This section shall become operative on January 1, 2029.

23 SEC. 4. Section 5913.1 is added to the Streets and Highways
24 Code, to read:

25 5913.1. Before a property owner executes an assessment
26 contract, the program administrator shall complete and deliver
27 to the property owner a printed copy of the disclosure set forth
28 below, or a substantially equivalent document that displays the
29 same information in a substantially similar format, in no smaller
30 than 12-point type. A sample of the disclosure set forth below shall
31 be maintained on a public internet website available to property
32 owners.

33 PACE ASSESSMENT – SUMMARY DISCLOSURE OF IMPORTANT TERMS

34 This is a short summary of SOME of the important terms of your PACE
35 assessment contract. You must still read the full disclosure and contract before
36 you agree to a PACE assessment.

37 You have a right to request and receive a paper copy of the PACE assessment
38 contract BEFORE signing anything.

39 Borrower’s initials: _____
40

1
2 *Your contract for this PACE assessment is NOT with the government. You are*
3 *entering into a contract with a private company.*
4 *Borrower's initials: _____*
5
6 *Should you enter into this assessment contract, a lien in the amount of the total*
7 *amount you are financing will be recorded against your property.*
8 *Borrower's initials: _____*
9
10 *The total amount you are financing is _____.*
11 *The total annual percentage rate on this assessment contract is _____.*
12 *The term length of the financing is _____ years.*
13 *Borrower's initials: _____*
14
15 *If you decide to sell your home, it is likely that the buyer or the buyer's*
16 *mortgage company will require you to pay off the assessment contract in full.*
17 *Borrower's initials: _____*
18
19 *If you decide to refinance your mortgage, your lender will likely require you*
20 *to pay off the assessment contract in full.*
21 *Borrower's initials: _____*
22
23 *Your payments for this PACE assessment will be ADDED to your yearly*
24 *property tax bill. Your yearly property tax bill will increase by an estimated*
25 *ADDITIONAL _____.*
26 *Borrower's initials: _____*
27
28 *If you pay your property taxes through an impound account, your monthly*
29 *payment to your mortgage company will increase by an estimated _____. It*
30 *is your responsibility to contact your mortgage company to inform them of the*
31 *need for an increased payment.*
32 *Borrower's initials: _____*
33
34 *If your property tax bill is late, the entire amount of your increased property*
35 *tax payments (the assessment contract plus your regular property tax bill) will*
36 *be subject to a 10% late fee and a 1.5% per month interest penalty. If payment*
37 *is not made, your home could be FORECLOSED ON.*
38 *Borrower's initials: _____*
39

1 *Should you decide to sign the assessment contract today, you have the right*
 2 *to cancel the contract without any penalty or obligation at any time before*
 3 *midnight on _____ (Date).*

4 *Borrower's initials: _____*

5

6 *Confirmation of Receipt:*

7 *Your signature below serves to show you have received this disclosure. Your*
 8 *signature on this form is not a contract to enter into an assessment.*

9

10

11

12

<i>Property Owner Signature</i>	<i>Date</i>	<i>Property Owner Signature</i>	<i>Date</i>		

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 601 (Morrell)(Coauthors: Sens. Bates, Borgeas, and Nielsen; Asms. Dahle and Mathis)
Status/Location: Senate Business, Professions & Economic Development Committee Hearing 4/22/19
Sponsor: R Street Institute
Subject: State agencies: Licenses: Fee Waiver.
Code Section: Add section 11009.5 to the Government Code

Summary: This bill authorizes any state agency that issues a business or occupational license to reduce or waive fees for licensure, renewal of licensure, or replacement of a physical license for display for a licensee displaced by a state or federally declared emergency within one year of the incident.

Existing law requires licenses to be obtained by a person before engaging in certain professions or vocations or business activities, including licensure as a professional by various boards within the Department of Consumer Affairs.

This bill would authorize any state agency that issues any business license to reduce or waive any required fees for licensure, renewal of licensure, or the replacement of a physical license for display if a person or business establishes to the satisfaction of the state agency that the person or business has been displaced or affected by a declared emergency, federal emergency or proclaimed state emergency, as defined.

Background: The author identifies this bill as an effort to streamline economic recovery efforts in a state with local economies that have been harmed by disasters, including 381,784 businesses across nine counties in recent years.

Support:

R Street Institute (Sponsor)
California Board of Accountancy
California Chamber of Commerce
California Dental Association
Rebuild Paradise Foundation
Southwest California Legislative Council

Opposition:

None on file as of April 17, 2019

Fiscal Impact for CSLB: Minor/Absorbable

Staff Recommendation and Comments: **SUPPORT.** This bill is a means for CSLB to support survivors of disasters that are increasingly common in the state.

Date: April 17, 2019

AMENDED IN SENATE MARCH 28, 2019

SENATE BILL

No. 601

Introduced by Senator Morrell
(Coauthors: Senators Bates, Borgeas, and Nielsen)
(Coauthors: Assembly Members Dahle and Mathis)

February 22, 2019

An act to add Section 11009.5 to the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 601, as amended, Morrell. State agencies: licenses: fee waiver.

Existing law requires various licenses to be obtained by a person before engaging in certain professions or vocations or business activities, including licensure as a healing arts professional by various boards within the Department of Consumer Affairs.

This bill would authorize any state agency that issues any business license to reduce or waive any required fees for licensure, renewal of licensure, or the replacement of a physical license for display if a person or business establishes to the satisfaction of the state agency that the person or business has been displaced *or affected* by a declared ~~emergency~~, *federal emergency or proclaimed state emergency*, as defined.

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

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

- 1 SECTION 1. Section 11009.5 is added to the Government
- 2 Code, to read:

1 11009.5. (a) Notwithstanding any other law, a state agency
2 that issues any business license may, within one year of the
3 ~~declaration~~ *proclamation* of an emergency as defined in Section
4 ~~8558, 8558~~ *or a declared federal emergency*, reduce or waive any
5 required fees for licensure, renewal of licensure, or the replacement
6 of a physical license for display if a person or business establishes
7 to the satisfaction of the state agency that the person or business
8 has been displaced *or affected* by the *proclaimed or* declared
9 emergency.
10 (b) For purposes of this section, “license” includes, but is not
11 limited to, a certificate, registration, or other required document
12 to engage in business.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 610 (Glazer)
Status/Location: Senate Business, Professions & Economic Development
Committee Hearing 4/22/19
Sponsor: Author
Subject: Contractors: Licensing and Regulation
Code Section: Amend Business and Professions Code sections 7000.5,
7006, 7011, 7018, 7040, 7071.6, 7071.17, 7124.6, 7137, and
7169

Summary: This bill extends the CSLB “Sunset” date and the authorization for the appointment of a registrar from January 1, 2020 to January 1, 2024, and makes other changes to the California contractors’ state license law in response to the CSLB 2018 Sunset Review Report and the Senate’s “omnibus” request for technical, non-substantive changes to the law.

Changes to Existing Law:

- Existing law provides for the existence of a Contractors State License Board and appointment of a registrar until January 1, 2020. This bill extends the statutory authority for CSLB and the appointment of its registrar until January 1, 2024.
- Existing law requires the board to provide a function on its website to allow consumers to search for licensed contractor by zip code or geographic location by January 1, 2019. This bill requires the board to maintain the contractor search function on its website without an end date. This change was made by the committee and not previously recommended or reviewed by CSLB staff or the Board.
- Existing law requires that the board meet quarterly to conduct its lawful business and hold such special meetings as necessary. This bill would require that CSLB webcast these meetings whenever possible. This change was made by the committee and not previously recommended or reviewed by CSLB staff or the Board.
- Existing law requires contractors to maintain a \$15,000 contractor’s bond as a condition of licensure. This bill requires that the board to conduct a study about whether the \$15,000 contractor bond is enough and submit its findings to the legislature by January 1, 2024. This change is the result of a discussion at the Sunset hearing itself, initiated by Senator Glazer, about whether the current bond amount is sufficient.
- Existing law requires that CSLB prohibit a license qualifier or member of personnel on a license from serving on another license if a constructed-related judgment is

entered *against a licensee* only. This bill would apply this requirement when a judgment is entered against a *licensee or any personnel of record of a licensee*.

- Existing law requires that CSLB suspend any other existing renewable license that contains any of the same personnel as the *licensee* named in a construction-related judgment. This bill extends that requirement to require CSLB to suspend any other existing renewable license that contains any of the same individuals named in the construction related judgment.
- Existing law allows the board to charge C-10 (Electrical) and C-7 (Low Voltage Systems) contractors a \$20 fee to enforce the electrician certification requirements in the Labor Code. This bill requires the board to charge C-10 contractors a \$20 fee to enforce this requirement and removes the C-7 \$20 fee option.

This bill, additionally, makes technical, clarifying and/or non-substantive changes to sections 7011, 7040, 7124.6 and 7169 of the BPC, all of which the Board approved at its December 2018 meeting for staff to present to the Senate Business, Profession & Economic Development Committee in response to the Committee's request for proposals for its omnibus bill.

Background: Each year, the Assembly Business and Professions Committee and the Senate Business, Professions and Economic Development Committee jointly hold Sunset Review Oversight Hearings to review the boards and bureaus under the Department of Consumer Affairs (DCA).

The sunset review process provides an opportunity for DCA, the Legislature, boards and bureaus, interested parties, and other stakeholders to discuss the performance of the boards and bureaus and make recommendations for improvements. The process culminates in a public hearing and a legislative bill that extends the "sunset" statute of affected boards and bureaus.

In 2018, CSLB was one of 10 DCA boards and bureaus scheduled for Sunset Review. In preparation for its hearing, CSLB developed a comprehensive report detailing its work since the last sunset review in 2014, and identified new issues, many of which were ideas for new legislation. CSLB submitted its 2018 Sunset Review report to the Legislature on November 21, 2018.

On February 26, 2019, CSLB had its hearing before the Legislature. Committee staff then prepared a background paper for its members, which included issues and recommendations to which CSLB had 30 days to prepare a response. At its March 21, 2019 meeting, the board approved the CSLB's responses, which were sent to the Legislature on March 25, 2019. On April 11, 2019, SB 610 (Glazer, 2019) was amended to extend the CSLB sunset date to January 2024.

Fiscal Impact for CSLB: Minor/absorbable

Staff Recommendation and Comments: **SUPPORT.** This is CSLB's sunset bill.

Date: April 18, 2019

AMENDED IN SENATE APRIL 11, 2019
AMENDED IN SENATE MARCH 27, 2019

SENATE BILL

No. 610

Introduced by Senator Glazer

February 22, 2019

An act to amend Sections 7000.5, 7006, 7011, 7018, ~~7124.6~~, 7040, 7071.6, 7071.17, ~~7124.6~~, 7137, and 7169 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 610, as amended, Glazer. Contractors: licensing and regulation.
~~(1) The~~

The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board, Board (board), which is within the Department of Consumer Affairs. Existing

(1) Under existing law, the board is responsible for the licensure and regulation of contractors and the board is required to appoint a registrar of contractors. Existing law repeals these provisions establishing the board and requiring it to appoint a registrar on January 1, 2020.

This bill would extend the operation of these provisions to January 1, 2024.

Existing law requires the board to meet once each calendar quarter for the purpose of transacting business that comes before it. Existing law requires the board to appoint a registrar and requires the registrar, as specified, to publish a list of the names and addresses of contractors registered under that law, including a license check search function that would permit consumers to search for a licensed contractor by either ZIP Code or geographic location. Existing law requires an applicant

or licensee to file or have on file a contractor's bond in the sum of \$15,000.

This bill would require the ~~Contractors' State License Board~~ board to maintain the contractor search function on the board's internet website. *The bill would require the board to conduct a study and report to the Legislature regarding whether the current amount of the contractors' bond requirement is sufficient* The bill would also require the board to make every effort to provide a webcast of all calendar quarter meetings of the board, as specified.

(2) Existing law provides that authorized representatives of the United States government, the State of California, and other specified agencies and entities are exempt from the provisions of the Contractors' State License Law, except as specified.

This bill would make a nonsubstantive change to these provisions.

(3) Existing law requires the registrar to make available to members of the public the date, nature, and status of all complaints on file against a licensee that meet specific qualifications. Under existing law, complaints resolved in favor of the contractor are not subject to disclosure. For legal actions against a licensee that require disclosure, existing law requires the disclosure to also appear on the license of record identified as a qualifier who is listed in the members of the personnel of record of the licensee issued the citation.

This bill would make clarifying changes to these provisions relating to legal actions that require disclosure of disciplinary action against a licensee.

(3) *Existing law authorizes the board to set fees by regulation, according to a prescribed schedule, including an authorization to charge C-10 and C-7 contractors a fee, not to exceed \$20, to be used by the board to enforce provisions of the Labor Code related to electrician certification.*

This bill would instead require the board to only charge C-10 contractors a \$20 fee for that purpose.

(4) *Existing law requires, as a condition precedent to the board accepting an application for licensure, renewal, reinstatement, or to change office s or other personnel of record, that an applicant, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on an unsatisfied final judgment, file or have on file with the board a bond sufficient to guarantee payment of an amount equal to the unsatisfied final judgment or judgments. Under existing law, if a judgment is entered*

against a licensee, then a qualifying person or personnel of record is prohibited from serving as a qualifying individual or other personnel of record on any license until the judgment is satisfied.

This bill would extend that prohibition to when a judgment is entered against any personnel of record.

(4)

(5) Existing law requires the ~~Contractors’ State License Board~~ board to receive and review complaints and consumer questions, and complaints received from state agencies, regarding solar energy systems companies and solar contractors. Existing law requires the board to annually compile a report documenting complaints it received relating to solar contractors that it shall make available publicly on the board’s and the Public Utilities Commission’s internet websites.

This bill would make nonsubstantive changes to these provisions.

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

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

1 SECTION 1. Section 7000.5 of the Business and Professions
2 Code is amended to read:

3 7000.5. (a) There is in the Department of Consumer Affairs
4 a Contractors’ State License Board, which consists of 15 members.

5 (b) Notwithstanding any other provision of law, the repeal of
6 this section renders the board subject to review by the appropriate
7 policy committees of the Legislature.

8 (c) This section shall remain in effect only until January 1, 2020,
9 2024, and as of that date is repealed, unless a later enacted statute,
10 that is enacted before January 1, 2020, deletes or extends that date.
11 repealed.

12 SECTION 1.

13 SEC. 2. Section 7006 of the Business and Professions Code
14 is amended to read:

15 7006. The board shall meet at least once each calendar quarter
16 for the purpose of transacting business as may properly come
17 before it. The board shall make every effort to make all meetings
18 available as a webcast when the appropriate resources are available.

19 Special meetings of the board may be held at times as the board
20 may provide in its bylaws. Four members of the board may call a
21 special meeting at any time.

1 SEC. 3. Section 7011 of the Business and Professions Code is
2 amended to read:

3 7011. (a) The board, by and with the approval of the director,
4 shall appoint a registrar of contractors and fix ~~his or her~~ *the*
5 *registrar's* compensation.

6 (b) The registrar shall be the executive officer and secretary of
7 the board and shall carry out all of the administrative duties as
8 provided in this chapter and as delegated to ~~him or her~~ *the registrar*
9 by the board.

10 (c) For the purpose of administration of this chapter, there may
11 be appointed a deputy registrar, a chief reviewing and hearing
12 office, and, subject to Section 159.5, other assistants and
13 subordinates as may be necessary.

14 (d) Appointments shall be made in accordance with the
15 provisions of civil service laws.

16 (e) This section shall remain in effect only until January 1, 2020,
17 2024, and as of that date is ~~repealed, unless a later enacted statute,~~
18 ~~that is enacted before January 1, 2020, deletes or extends that date.~~
19 *repealed.*

20 SEC. 2.

21 SEC. 4. Section 7018 of the Business and Professions Code
22 is amended to read:

23 7018. The board shall maintain the current contractor license
24 check search function on their internet website that permits
25 consumers to search for a licensed contractor by either ZIP Code
26 or geographic location.

27 SEC. 3.

28 SEC. 5. Section 7040 of the Business and Professions Code
29 is amended to read:

30 7040. (a) This chapter does not apply to an authorized
31 representative of the United States government, the State of
32 California, or any incorporated town, city, county, irrigation
33 district, reclamation district or other municipal or political
34 corporation or subdivision of this state when the entity or its
35 representative is acting within the scope of the entity's or
36 representative's official capacity.

37 (b) Nothing in this section authorizes the entity or its authorized
38 representative thereof either to enter into or authorize a contract
39 with an unlicensed contractor for work ~~which~~ *that* is required by
40 this chapter to be performed by a licensed contractor.

1 *SEC. 6. Section 7071.6 of the Business and Professions Code*
2 *is amended to read:*

3 7071.6. (a) The board shall require as a condition precedent
4 to the issuance, reinstatement, reactivation, renewal, or continued
5 maintenance of a license, that the applicant or licensee file or have
6 on file a contractor’s bond in the sum of fifteen thousand dollars
7 (\$15,000).

8 (b) Excluding the claims brought by the beneficiaries specified
9 in subdivision (a) of Section 7071.5, the aggregate liability of a
10 surety on claims brought against a bond required by this section
11 shall not exceed the sum of seven thousand five hundred dollars
12 (\$7,500). The bond proceeds in excess of seven thousand five
13 hundred dollars (\$7,500) shall be reserved exclusively for the
14 claims of the beneficiaries specified in subdivision (a) of Section
15 7071.5. However, nothing in this section shall be construed so as
16 to prevent any beneficiary specified in subdivision (a) of Section
17 7071.5 from claiming or recovering the full measure of the bond
18 required by this section.

19 (c) No bond shall be required of a holder of a license that has
20 been inactivated on the official records of the board during the
21 period the license is inactive.

22 (d) Notwithstanding any other law, as a condition precedent to
23 licensure, the board may require an applicant to post a contractor’s
24 bond in twice the amount required pursuant to subdivision (a) until
25 the time that the license is renewed, under the following conditions:

26 (1) The applicant has either been convicted of a violation of
27 Section 7028 or has been cited pursuant to Section 7028.7.

28 (2) If the applicant has been cited pursuant to Section 7028.7,
29 the citation has been reduced to a final order of the registrar.

30 (3) The violation of Section 7028, or the basis for the citation
31 issued pursuant to Section 7028.7, constituted a substantial injury
32 to the public.

33 (e) (1) *The board shall conduct a study to obtain information*
34 *to evaluate whether the current fifteen-thousand-dollar (\$15,000)*
35 *amount of the contractor bond is sufficient, or whether an increase*
36 *may be necessary.*

37 (2) *The board shall report its findings and recommendations*
38 *to the appropriate policy committees of the Legislature, in*
39 *accordance with Section 9795 of the Government Code, by January*
40 *1, 2024.*

1 *SEC. 7. Section 7071.17 of the Business and Professions Code*
 2 *is amended to read:*

3 7071.17. (a) Notwithstanding any other provision of law, the
 4 board shall require, as a condition precedent to accepting an
 5 application for licensure, renewal, reinstatement, or to change
 6 officers or other personnel of record, that an applicant, previously
 7 found to have failed or refused to pay a contractor, subcontractor,
 8 consumer, materials supplier, or employee based on an unsatisfied
 9 final judgment, file or have on file with the board a bond sufficient
 10 to guarantee payment of an amount equal to the unsatisfied final
 11 judgment or judgments. The applicant shall have 90 days from the
 12 date of notification by the board to file the bond or the application
 13 shall become void and the applicant shall reapply for issuance,
 14 reinstatement, or reactivation of a license. The board may not issue,
 15 reinstate, or reactivate a license until the bond is filed with the
 16 board. The bond required by this section is in addition to the
 17 contractor’s bond. The bond shall be on file for a minimum of one
 18 year, after which the bond may be removed by submitting proof
 19 of satisfaction of all debts. The applicant may provide the board
 20 with a notarized copy of any accord, reached with any individual
 21 holding an unsatisfied final judgment, to satisfy a debt in lieu of
 22 filing the bond. The board shall include on the license application
 23 for issuance, reinstatement, or reactivation, a statement, to be made
 24 under penalty of perjury, as to whether there are any unsatisfied
 25 judgments against the applicant on behalf of contractors,
 26 subcontractors, consumers, materials suppliers, or the applicant’s
 27 employees. Notwithstanding any other provision of law, if it is
 28 found that the applicant falsified the statement then the license
 29 will be retroactively suspended to the date of issuance and the
 30 license will stay suspended until the bond, satisfaction of judgment,
 31 or notarized copy of any accord applicable under this section is
 32 filed.

33 (b)(1) Notwithstanding any other provision of law, all licensees
 34 shall notify the registrar in writing of any unsatisfied final judgment
 35 imposed on the licensee. If the licensee fails to notify the registrar
 36 in writing within 90 days, the license shall be automatically
 37 suspended on the date that the registrar is informed, or is made
 38 aware of the unsatisfied final judgment

1 (2) The suspension shall not be removed until proof of
2 satisfaction of the judgment, or in lieu thereof, a notarized copy
3 of an accord is submitted to the registrar.

4 (3) If the licensee notifies the registrar in writing within 90 days
5 of the imposition of any unsatisfied final judgment, the licensee
6 shall, as a condition to the continual maintenance of the license,
7 file or have on file with the board a bond sufficient to guarantee
8 payment of an amount equal to all unsatisfied judgments applicable
9 under this section.

10 (4) The licensee has 90 days from date of notification by the
11 board to file the bond or at the end of the 90 days the license shall
12 be automatically suspended. In lieu of filing the bond required by
13 this section, the licensee may provide the board with a notarized
14 copy of any accord reached with any individual holding an
15 unsatisfied final judgment

16 (c) By operation of law, failure to maintain the bond or failure
17 to abide by the accord shall result in the automatic suspension of
18 any license to which this section applies.

19 (d) A license that is suspended for failure to comply with the
20 provisions of this section can only be reinstated when proof of
21 satisfaction of all debts is made, or when a notarized copy of an
22 accord has been filed as set forth under this section.

23 (e) This section applies only with respect to an unsatisfied final
24 judgment that is substantially related to the construction activities
25 of a licensee licensed under this chapter, or to the qualifications,
26 functions, or duties of the license.

27 (f) Except as otherwise provided, this section shall not apply to
28 an applicant or licensee when the financial obligation covered by
29 this section has been discharged in a bankruptcy proceeding.

30 (g) Except as otherwise provided, the bond shall remain in full
31 force in the amount posted until the entire debt is satisfied. If, at
32 the time of renewal, the licensee submits proof of partial
33 satisfaction of the financial obligations covered by this section,
34 the board may authorize the bond to be reduced to the amount of
35 the unsatisfied portion of the outstanding judgment. When the
36 licensee submits proof of satisfaction of all debts, the bond
37 requirement may be removed.

38 (h) The board shall take the actions required by this section
39 upon notification by any party having knowledge of the outstanding
40 judgment upon a showing of proof of the judgment.

1 (i) For the purposes of this section, the term “judgment” also
 2 includes any final arbitration award where the time to file a petition
 3 for a trial de novo or a petition to vacate or correct the arbitration
 4 award has expired, and no petition is pending.

5 (j)(1) If a judgment is entered against a ~~licensee~~, *licensee or*
 6 *any personnel of record of a licensee*, then a qualifying person or
 7 personnel of record of the licensee at the time of the activities on
 8 which the judgment is based shall be automatically prohibited from
 9 serving as a qualifying individual or other personnel of record on
 10 ~~another~~ *any* license until the judgment is satisfied.

11 (2) The prohibition described in paragraph (1) shall cause the
 12 license of any other existing renewable licensed entity with any
 13 of the same personnel of record as the judgment debtor licensee
 14 *or with any of the same judgment debtor personnel* to be suspended
 15 until the license of the judgment debtor is ~~reinstated~~ *reinstated,*
 16 *the judgment is satisfied* or until those same personnel of record
 17 disassociate themselves from the renewable licensed entity.

18 (k) For purposes of this section, lawful money or cashier’s check
 19 deposited pursuant to paragraph (1) of subdivision (a) of Section
 20 995.710 of the Code of Civil Procedure, may be submitted in lieu
 21 of the bond.

22 (l) Notwithstanding subdivision (f), the failure of a licensee to
 23 notify the registrar of an unsatisfied final judgment in accordance
 24 with this section is cause for disciplinary action.

25 ~~SEC. 4.~~

26 *SEC. 8.* Section 7124.6 of the Business and Professions Code
 27 is amended to read:

28 7124.6. (a) The registrar shall make available to members of
 29 the public the date, nature, and status of all complaints on file
 30 against a licensee that do either of the following:

- 31 (1) Have been referred for accusation.
- 32 (2) Have been referred for investigation after a determination
 33 by board enforcement staff that a probable violation has occurred,
 34 and have been reviewed by a supervisor, and regard allegations
 35 that if proven would present a risk of harm to the public and would
 36 be appropriate for suspension or revocation of the contractor’s
 37 license or criminal prosecution.

38 (b) The board shall create a disclaimer that shall accompany
 39 the disclosure of a complaint that shall state that the complaint is
 40 an allegation. The disclaimer may also contain any other

1 information the board determines would be relevant to a person
2 evaluating the complaint.

3 (c)(1) A complaint resolved in favor of the contractor shall not
4 be subject to disclosure.

5 (2) A complaint resolved by issuance of a letter of
6 admonishment pursuant to Section 7099.2 shall not be deemed
7 resolved in favor of the contractor for the purposes of this section.

8 A letter of admonishment issued to a licensee shall be disclosed
9 for a period of one year from the date described in paragraph (2)
10 of subdivision (c) of Section 7099.2.

11 (d) Except as described in subdivision (e), the registrar shall
12 make available to members of the public the date, nature, and
13 disposition of all legal actions.

14 (e) Disclosure of legal actions shall be limited as follows:

15 (1)(A) Citations shall be disclosed from the date of issuance
16 and for five years after the date of compliance if no additional
17 disciplinary actions have been filed against the licensee during the
18 five-year period. If additional disciplinary actions were filed against
19 the licensee during the five-year period, all disciplinary actions
20 shall be disclosed for as long as the most recent disciplinary action
21 is subject to disclosure under this section. At the end of the
22 specified time period, those citations shall no longer be disclosed.

23 (B) Any disclosure pursuant to this paragraph shall also appear
24 on the license record of any other license that includes a qualifier
25 that is listed as one of the members of personnel of record of the
26 license that was issued the citation.

27 (C) The disclosure described in subparagraph (B) shall be for
28 the period of disclosure of the citation.

29 (2) Accusations that result in suspension, stayed suspension, or
30 stayed revocation of the contractor's license shall be disclosed
31 from the date the accusation is filed and for seven years after the
32 accusation has been settled, including the terms and conditions of
33 probation if no additional disciplinary actions have been filed
34 against the licensee during the seven-year period. If additional
35 disciplinary actions were filed against the licensee during the
36 seven-year period, all disciplinary actions shall be posted for as
37 long as the most recent disciplinary action is subject to disclosure
38 under this section. At the end of the specified time period, those
39 accusations shall no longer be disclosed.

1 (3) All revocations that are not stayed shall be disclosed
2 indefinitely from the effective date of the revocation.

3 SEC. 9. Section 7137 of the Business and Professions Code is
4 amended to read:

5 7137. The board may set fees by regulation. These fees shall
6 be set according to the following schedule:

7 (a)(1) The application fee for an original license in a single
8 classification shall be three hundred thirty dollars (\$330) and may
9 be increased to not more than three hundred seventy-five dollars
10 (\$375).

11 (2) The application fee for each additional classification applied
12 for in connection with an original license shall not be more than
13 eighty-five dollars (\$85).

14 (3) The application fee for each additional classification pursuant
15 to Section 7059 shall be one hundred fifty dollars (\$150) and may
16 be increased to not more than one hundred seventy-five dollars
17 (\$175).

18 (4) The application fee to replace a responsible managing office ,
19 responsible managing manager, responsible managing member,
20 or responsible managing employee pursuant to Section 7068.2
21 shall be one hundred fifty dollars (\$150) and may be increased to
22 not more than one hundred seventy-five dollars (\$175).

23 (5) The application fee to add personnel, other than a qualifying
24 individual, to an existing license shall be one hundred dollars
25 (\$100) and may be increased to not more than one hundred fifteen
26 dollars (\$115).

27 (b) The fee for rescheduling an examination for an applicant
28 who has applied for an original license, additional classification,
29 a change of responsible managing office , responsible managing
30 manager, responsible managing member, or responsible managing
31 employee, or for an asbestos certification or hazardous substance
32 removal certification, shall not be more than seventy dollars (\$70).

33 (c) The fee for scheduling or rescheduling an examination for
34 a licensee who is required to take the examination as a condition
35 of probation shall not be more than seventy dollars (\$70).

36 (d) The initial license fee for an active or inactive license shall
37 be two hundred dollars (\$200) and may be increased to not more
38 than two hundred twenty-five dollars (\$225).

1 (e)(1) The renewal fee for an active license shall be four
2 hundred dollars (\$400) and may be increased to not more than four
3 hundred fifty dollars (\$450).

4 (2) The renewal fee for an inactive license shall be two hundred
5 dollars (\$200) and may be increased to not more than two hundred
6 twenty-five dollars (\$225).

7 (f) The delinquency fee is an amount equal to 50 percent of the
8 renewal fee, if the license is renewed after its expiration.

9 (g) The registration fee for a home improvement salesperson
10 shall be eighty-three dollars (\$83) and may be increased to not
11 more than ninety-five dollars (\$95).

12 (h) The renewal fee for a home improvement salesperson
13 registration shall be eighty-three dollars (\$83) and may be increased
14 to not more than ninety-five dollars (\$95).

15 (i) The application fee for an asbestos certification examination
16 shall be eighty-three dollars (\$83) and may be increased to not
17 more than ninety-five dollars (\$95).

18 (j) The application fee for a hazardous substance removal or
19 remedial action certification examination shall be eighty-three
20 dollars (\$83) and may be increased to not more than ninety-five
21 dollars (\$95).

22 (k) In addition to any other fees charged to C-10 and C-7
23 contractors, the board ~~may~~ shall charge a fee not to exceed twenty
24 dollars (\$20), which shall be used by the board to enforce
25 provisions of the Labor Code related to electrician certification.

26 (l) The service fee to deposit with the registrar lawful money
27 or cashier's check pursuant to paragraph (1) of subdivision (a) of
28 Section 995.710 of the Code of Civil Procedure for purposes of
29 compliance with any provision of Article 5 (commencing with
30 Section 7065) shall be one hundred dollars (\$100), which shall be
31 used by the board only to process each deposit filed with the
32 registrar, to cover the reasonable costs to the registrar for holding
33 money or cashier's checks in trust in interest bearing deposit or
34 share accounts, and to offset the costs of processing payment of
35 lawful claims against a deposit in a civil action.

36 (m) The service fee collected under subdivision (l) shall be
37 placed in the Contractors' Deposit Fund, which is hereby created
38 in the State Treasury, and shall, upon appropriation by the
39 Legislature, be available only for the regulatory purposes contained
40 in subdivision (l).

1 (n) The board shall, by regulation, establish criteria for the
 2 approval of expedited processing of applications. Approved
 3 expedited processing of applications for licensure or registration,
 4 as required by other provisions of law, shall not be subject to this
 5 subdivision.

6 (o) This section shall become operative on July 1, 2017.

7 ~~SEC. 5.~~

8 *SEC. 10.* Section 7169 of the Business and Professions Code
 9 is amended to read:

10 7169. (a) The board, in collaboration with the Public Utilities
 11 Commission, shall develop and make available a “solar energy
 12 system disclosure document” or documents that provide a
 13 consumer, at a minimum, accurate, clear, and concise information
 14 regarding the installation of a solar energy system, total costs of
 15 installation, anticipated savings, the assumptions and inputs used
 16 to estimate the savings, and the implications of various financing
 17 options.

18 (b) On or before July 1, 2018, the board, in collaboration with
 19 the Public Utilities Commission, shall develop, and make available
 20 on its internet website the disclosure document described in
 21 subdivision (a) that a solar energy system company shall provide
 22 to a consumer prior to completion of a sale, financing, or lease of
 23 a solar energy system. The “solar energy system disclosure
 24 document” shall be printed on the front page or cover page of every
 25 solar energy contract. The “solar energy system disclosure
 26 document” shall be printed in boldface 16-point type and include
 27 the following types of primary information:

28 (1) The total cost and payments for the system, including
 29 financing costs.

30 (2) Information on how and to whom customers may provide
 31 complaints.

32 (3) The consumer’s right to a cooling off period of three days
 33 pursuant to Section 7159 of the Business and Professions Code.

34 (c) At the board’s discretion, other types of supporting
 35 information the board and the commission deem appropriate or
 36 useful in furthering the directive described in subdivision (a) may
 37 be included in the solar energy disclosure document following the
 38 front page or cover page, including, but not limited to:

39 (1) The amounts and sources of financing obtained.

- 1 (2)☐The calculations used by the home improvement salesperson
- 2 to determine how many panels the homeowner needs to install.
- 3 (3)☐The calculations used by the home improvement salesperson
- 4 to determine how much energy the panels will generate.
- 5 (4)☐Any additional monthly fees the homeowner’s electric
- 6 company may bill, any turn-on charges, and any fees added for
- 7 the use of an ~~Internet~~ *internet* monitoring system of the panels or
- 8 inverters.
- 9 (5)☐The terms and conditions of any guaranteed rebate.
- 10 (6)☐The final contract price, without the inclusion of possible
- 11 rebates.
- 12 (7)☐The solar energy system company’s contractor’s license
- 13 number.
- 14 (8)☐The impacts of solar energy system installations not
- 15 performed to code.
- 16 (9)☐Types of solar energy system malfunctions.
- 17 (10)☐Information about the difference between a solar energy
- 18 system lease and a solar energy system purchase.
- 19 (11)☐The impacts that the financing options, lease agreement
- 20 terms, or contract terms will have on the sale of the consumer’s
- 21 home, including any balloon payments or solar energy system
- 22 relocation that may be required if the contract is not assigned to
- 23 the new owner of the home.
- 24 (12)☐A calculator that calculates performance of solar projects
- 25 to provide solar customers the solar power system’s projected
- 26 output, which may include an expected performance-based
- 27 buydown calculator.
- 28 (d)☐A contract for sale, financing, or lease of a solar energy
- 29 system and the solar energy system disclosure document shall be
- 30 written in the same language as was principally used in the oral
- 31 sales presentation made to the consumer or the print or digital
- 32 marketing material given to the consumer.
- 33 (e)☐For solar energy systems utilizing Property Assessed Clean
- 34 Energy (PACE) financing, the Financing Estimate and Disclosure
- 35 form required by subdivision (b) of Section 5898.17 of the Streets
- 36 and Highways Code shall satisfy the requirements of this section
- 37 with respect to the financing contract only, but not, however, with
- 38 respect to the underlying contract for installation of the solar energy
- 39 system.

1 (f) The board shall post the PACE Financing Estimate and
2 Disclosure form required by subdivision (b) of Section 5898.17
3 of the Streets and Highways Code on its internet website.

4 (g) For purposes of this section, “solar energy system” means
5 a solar energy device to be installed on a residential building that
6 has the primary purpose of providing for the collection and
7 distribution of solar energy for the generation of electricity, that
8 produces at least one kW, and not more than five MW, alternating
9 current rated peak electricity, and that meets or exceeds the
10 eligibility criteria established pursuant to Section 25782 of the
11 Public Resources Code.

12 (h) This section does not apply to a solar energy system that is
13 installed as a standard feature on new construction.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1076 (Ting)
Status/Location: Assembly Appropriations
Sponsor: California for Safety and Justice
Subject: Criminal Records: Automatic Relief
Code Section: Add Sections 851.93 and 1203.425 to the Penal Code

Summary: Current law allows a petitioner to request that certain criminal offender record information be sealed. This bill would require the Department of Justice to automatically seal eligible arrest and conviction records without requiring any action from a petitioner. This bill is relevant to CSLB because it affects information reported to CSLB about licensed contractors and applicants for contractor licenses.

Existing law provides, regarding persons who are *arrested*, and subject to other specified circumstances, that a person who has successfully completed a pretrial diversion program in lieu of entering a plea, or whose arrest did not result in a conviction, may petition the court to have these records sealed.

Existing law, regarding persons who are *convicted*, and subject to other specified circumstances, a person who fulfills conditions of an entire probation, or is discharged prior to the end of probation, or in cases in which the court determines relief should be granted, to petition to withdraw a guilty plea and have the charges dismissed and be released from all penalties resulting from the offense and conviction.

Existing law requires the California Department of Justice (DOJ) to maintain state summary criminal history information and specifies procedures and prohibitions on the disclosure and use of that information. Existing law defines “criminal offender record information” (CORI) as records and data compiled by agencies to identify offenders and a summary of arrests, pretrial proceedings, the nature and disposition of criminal charges, sentencing, incarceration, rehabilitation, and release.

This bill requires the DOJ to review its databases weekly and to identify persons who meet specified conditions and are therefore eligible for automatic arrest record relief.

This bill provides that conviction or arrest relief automatically occurs, without requiring a motion or petition for relief, and that the arrest or conviction and its consequences are deemed not to have occurred, with a note in the record stating “relief granted.” The bill provides that the person may answer any question related to the offense accordingly.

This bill specifies that DOJ shall not disclose an arrest or conviction granted relief to any Department of Consumer affairs board or bureau.

This bill also provides that a person is eligible for automatic *arrest record* relief, subject to specified conditions:

- For misdemeanor charges that were dismissed, or if a year has passed without a conviction, or if the arrestee was acquitted
- For felony offenses punishable by jail for up to three years and if at least three years have passed since without a conviction or if the arrestee was acquitted
- If the person completes specified diversion or deferred judgment programs

This bill provides that a person is eligible for automatic *criminal conviction* record relief, subject to specified conditions:

- If the person is not required to register for a sexual offense or is not under active local, state, or federal supervision, or is not serving a sentence or under charge
- For cases in which probation is completed without revocation, or if the conviction is for an infraction or misdemeanor that was not granted probation and if the sentence was completed with a year passing since the judgment
- For cases of a felony conviction resulting in jail and part of the sentence was suspended with a year passing since completing the sentence, or if the sentence was not suspended but two years have passed since the sentence
- For cases in which the sentencing occurred prior to the 2011 Realignment Legislation in specified circumstances

Background: According to the Assembly Business and Professions Committee, this bill “would be a comprehensive change in how record relief for most arrests and conviction records is granted” in California. The Committee expressed concerns that DOJ frequently does not have sufficient information in its existing records to make many of the determinations required by the bill, and that this bill effectively has two branches of government making decisions traditionally reserved for the judicial branch.

According to the Committee, around 70 million Americans, including eight million Californians, have “some sort of criminal record, amounting to almost one-in-three working-age Americans.

According to the author, “76% of individuals with a criminal conviction report instability in finding a job or housing, obtaining a license, paying for fines or fees, and having health issues, and that having a criminal record reduces the chance of getting a job offer or callback by 50%.” The author states that “lack of access to employment and housing are primary factors driving recidivism,” and that the U.S. loses “roughly \$65 billion per year in gross domestic product due to employment losses” because of criminal records. The author states that the current process for clearing arrests and convictions “imposes a burden on affected individuals to be made aware of their eligibility and retain an attorney to proactively file the necessary petition,” a petition process that costs the system \$3,757 per record, whereas an automated system costs four cents (\$.04) per record.

By not requiring any action from a petitioner, the author states that the bill reduces significant barriers to employment and housing opportunities for millions of Californians.

Support: (As of 4/19/19)

California for Safety and Justice (Sponsor)
American Civil Liberties Union of California
California Public Defenders Association
Community Works
Feminists in Action
Indivisible Sausalito
Indivisible Stanislaus
Indivisible San Diego Central
Initiate Justice
National Association of Social Workers, California Chapter
Showing Up for Racial Justice, Marin
Sister Warrior Freedom Coalition
Southern California Coalition
We The People - San Diego

Opposition: (As of 4/19/19)

California Law Enforcement Association of Records Supervisors

Fiscal Impact for CSLB: Unknown

Staff Recommendation and Comments: WATCH. The underlying policy of removing barriers to licensure is a 2019-21 board-approved strategic plan objective (Licensing and Testing Division Strategic Plan item 1.4). While CSLB should be cautious about the elimination of certain criminal history available to staff when evaluating an applicant's qualifications for licensure, this bill will not preclude staff from reviewing serious felonies and other specified financial felonies.

Date: April 19, 2019 ☐

AMENDED IN ASSEMBLY MARCH 27, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1076

Introduced by Assembly Member Ting

February 21, 2019

An act to add Sections 851.93 and 1203.425 to the Penal Code, relating to criminal records.

LEGISLATIVE COUNSEL'S DIGEST

AB 1076, as amended, Ting. Criminal records: automatic relief.

Existing law authorizes a person who was arrested and has successfully completed a prefiling diversion program, a person who has successfully completed a specified drug diversion program, a person who has successfully completed a specified deferred entry of judgment program, and a person who has suffered an arrest that did not result in a conviction, under certain conditions, to petition the court to seal the person's arrest record. Under existing law, if a defendant successfully completes certain diversion programs, the arrest for the crime for which the defendant was diverted is deemed to have never occurred.

Existing law authorizes a defendant to petition to withdraw the defendant's plea of guilty or nolo contendere and enter a plea of not guilty, if the defendant has fulfilled the conditions of probation, or if other specified circumstances are met, and the defendant is not then serving a sentence for any offense, on probation for any offense, or charged with the commission of any offense. If relief is granted, existing law requires the court to dismiss the accusation or information against the defendant and release the defendant from all penalties and disabilities resulting from the offense, with exceptions. Existing law also authorizes a defendant to file a similar petition if the defendant was convicted of

a misdemeanor and not granted probation, was convicted of an infraction, or completed a sentence for certain felonies, and the defendant met specified conditions.

This bill would, commencing January 1, 2021, require the Department of Justice, on a weekly basis, to review the records in the ~~state summary criminal history information database~~ *statewide criminal justice databases* and to identify persons who are eligible for relief by having their arrest records, or their criminal conviction records, withheld from disclosure. The bill would require the department to grant relief to an eligible person, without requiring a petition or motion. The bill would not limit petitions, motions, or orders for relief, as required or authorized by any other law.

The bill would require an update to the state summary criminal history information to document the relief granted. The bill would require the department, on a weekly basis, to *electronically* submit a notice to the superior court having jurisdiction over the criminal case, informing the court of all cases for which relief was granted. The bill would prohibit the court from disclosing information concerning an arrest or conviction granted relief, with exceptions.

The bill would authorize the prosecuting attorney to file a motion to prohibit the department from granting automatic relief for criminal conviction records as described above. If the court grants that motion, the bill would prohibit the department from granting relief, but the person would continue to be eligible for relief through other existing procedures, including petitions to the court.

The bill would require the Department of Justice to annually publish statistics regarding relief granted pursuant to the provisions of this bill, as specified.

The bill would require a court, at the time of sentencing, to advise each defendant of their right to conviction relief pursuant to the provisions of this bill, as specified.

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

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

1 SECTION 1. Section 851.93 is added to the Penal Code, to
2 read:
3 851.93. (a)(1) On a weekly basis, the Department of Justice
4 shall review the records in the ~~state summary criminal history~~

1 information database and shall identify persons who are eligible
 2 for relief in their arrest records pursuant to Section 851.87, 851.90,
 3 851.91, 1000.4, or 1001.9, and whose arrests meet the conditions
 4 described in paragraph (2): *statewide criminal justice databases,*
 5 *and based on information in the Automated Criminal History*
 6 *System, shall identify persons with records of arrest that meet the*
 7 *criteria set forth in paragraph (2) and are eligible for arrest record*
 8 *relief.*

9 (2) ~~□~~ A person is eligible for relief pursuant to this section, if the
 10 ~~underlying arrest shall meet all~~ *meets any* of the following
 11 conditions:

12 ~~(A) □~~ ~~Either of the following criteria is met:~~

13 (A) *The arrest was for a misdemeanor offense and the charge*
 14 *was dismissed.*

15 (i)

16 (B) ~~□~~ ~~The arrest is~~ *was for a* misdemeanor offense, ~~and~~ at least
 17 one calendar year has elapsed since the date of the ~~arrest.~~ *arrest,*
 18 *and no conviction occurred, or the arrestee was acquitted of any*
 19 *charges that arose, from that arrest.*

20 (ii)

21 (C) ~~□~~ ~~The arrest is~~ *was for a* felony offense *an offense* that is
 22 punishable by imprisonment pursuant to paragraph (1) or (2) of
 23 subdivision (h) of Section 1170, ~~and~~ at least three calendar years
 24 have elapsed since the date of the ~~arrest.~~ *arrest, and no conviction*
 25 *occurred, or the arrestee was acquitted of any charges arising*
 26 *from, that arrest.*

27 ~~(B) □~~ ~~A criminal conviction did not result based on the arrest.~~

28 ~~(C) □~~ ~~Nothing in the arrest record indicates that proceedings~~
 29 ~~seeking conviction remain pending.~~

30 (D) *The person successfully completed any of the following,*
 31 *relating to that arrest:*

32 (i) *A prefiling diversion program, as defined in Section 851.87,*
 33 *administered by a prosecuting attorney in lieu of filing an*
 34 *accusatory pleading.*

35 (ii) *A drug diversion program administered by a superior court*
 36 *pursuant to Section 1000.5, or a deferred entry of judgment*
 37 *program pursuant to Section 1000 or 1000.8.*

38 (iii) *A pretrial diversion program, pursuant to Section 1000.4.*

39 (iv) *A diversion program, pursuant to Section 1001.9.*

1 (v) Any diversion program described in Chapters 2.8
 2 (commencing with Section 1001.20), 2.8A (commencing with
 3 Section 1001.35), 2.9 (commencing with Section 1001.50), 2.9A
 4 (commencing with Section 1001.60), 2.9B (commencing with
 5 Section 1001.70), 2.9C (commencing with Section 1001.80), or
 6 2.9D (commencing with Section 1001.81), of Title 6.

7 (b)(1) The department shall grant relief to a person identified
 8 pursuant to subdivision (a), without requiring a petition or motion
 9 by a party for that relief.

10 ~~(2) Section 851.92 does not apply to relief granted pursuant to~~
 11 ~~this section.~~

12 ~~(3)~~
 13 (2) The state summary criminal history information shall
 14 include, directly next to or below the entry or entries regarding the
 15 person’s arrest record, a note stating “arrest relief granted,” listing
 16 the date that the department granted relief, ~~and this section, and~~
 17 ~~the section pursuant to which the relief was granted.~~ *section.* This
 18 note shall be included in all statewide criminal databases with a
 19 record of the arrest.

20 (3) *Except as otherwise provided in subdivision (d), an arrest*
 21 *for which arrest relief has been granted is deemed not to have*
 22 *occurred, and a person who has been granted arrest relief is*
 23 *released from any penalties and disabilities resulting from the*
 24 *arrest, and may answer any question relating to that arrest*
 25 *accordingly.*

26 (c)(1) On a weekly basis, the department shall *electronically*
 27 submit a notice to the superior court having jurisdiction over the
 28 criminal case, informing the court of all cases for which relief was
 29 granted pursuant to this section. The court shall not disclose
 30 information concerning an arrest that is granted relief pursuant to
 31 this section to any person or entity, except to the person whose
 32 arrest was granted relief or a criminal justice agency, as defined
 33 in Section 851.92.

34 (2) The department shall not disclose information concerning
 35 an arrest that is granted relief pursuant to this section to a board,
 36 as defined in Section 22 of the Business and Professions Code.

37 ~~(d)(1) Relief granted pursuant to this section is subject to the~~
 38 ~~following conditions: does~~

39 (1) *Arrest relief does not relieve a person of the obligation to*
 40 *disclose an arrest in response to a direct question contained in a*

1 questionnaire or application for employment as a peace office , as
2 defined in Section 830.

3 (2) Relief granted pursuant to this section has no effect on the
4 ability of a criminal justice agency, as defined in Section 851.92,
5 to access and use records that are granted relief. *relief to the same*
6 *extent that would have been permitted for a criminal justice agency*
7 *had relief not been granted.*

8 (3) Relief granted pursuant to this section does not affect a
9 person’s authorization to own, possess, or have in the person’s
10 custody or control any firearm, or the person’s susceptibility to
11 conviction under Chapter 2 (commencing with Section 29800) of
12 Division 9 of Title 4 of Part 6, if the arrest would otherwise affect
13 this authorization or susceptibility.

14 (4) Relief granted pursuant to this section does not affect any
15 prohibition from holding public office that would otherwise apply
16 under law as a result of the arrest.

17 (5) *Relief granted pursuant to this section is subject to the*
18 *provisions of Section 11105.*

19 (e) This section shall not limit petitions, motions, or orders for
20 arrest record relief, as required or authorized by any other law,
21 including, but not limited to, Sections 851.87, 851.90, 851.91,
22 1000.4, and 1001.9.

23 (f) *The department shall annually publish statistics regarding*
24 *the total number of arrests granted relief pursuant to this section,*
25 *by county, on the OpenJustice Web portal, as defined in Section*
26 *13010.*

27 (f)

28 (g) This section shall be operative commencing January 1, 2021.

29 SEC. 2. Section 1203.425 is added to the Penal Code,
30 immediately following Section 1203.42, to read:

31 1203.425. (a)(1) On a weekly basis, the Department of Justice
32 shall review the records in ~~the state summary criminal history~~
33 ~~information database and shall identify persons who are eligible~~
34 ~~for relief in their criminal conviction records pursuant to Section~~
35 ~~1203.4, 1203.4a, 1203.41, or 1203.42. the statewide criminal justice~~
36 ~~databases, and based on information in the Automated Criminal~~
37 ~~History System and the Supervised Release File, shall identify~~
38 ~~persons with convictions that meet the criteria set forth in~~
39 ~~paragraph (2) and are eligible for automatic conviction record~~
40 ~~relief.~~

1 (2) *A person is eligible for automatic conviction relief pursuant*
 2 *to this section if they meet all of the following conditions:*
 3 (A) *The person is not required to register pursuant to Section*
 4 *290.*
 5 (B) *The person is not under active local, state, or federal*
 6 *supervision, according to the Supervised Release File.*
 7 (C) *The person is not currently serving a sentence for any*
 8 *offense and does not have any pending criminal charges.*
 9 (D) *The conviction meets one of the following criteria:*
 10 (i) *The defendant was sentenced to probation and has completed*
 11 *their term of probation without revocation.*
 12 (ii) *The defendant was convicted of an infraction or*
 13 *misdemeanor and was not granted probation, has completed their*
 14 *sentence or paid their fine, and at least one calendar year has*
 15 *elapsed since the date of judgment.*
 16 (iii) *The defendant was sentenced pursuant to subparagraph*
 17 *(B) of paragraph (5) of subdivision (h) of Section 1170, and one*
 18 *year has elapsed following the completion of sentence, or, the*
 19 *defendant was sentenced pursuant to subparagraph (A) of*
 20 *paragraph (5) of subdivision (h) of Section 1170, and two years*
 21 *has elapsed following the completion of sentence.*
 22 (iv) *The defendant was sentenced before January 1, 2012 for a*
 23 *crime which, on or after January 1, 2012, would have been eligible*
 24 *for sentencing pursuant to subdivision (h) of Section 1170, and*
 25 *two years have elapsed following the defendant’s completion of*
 26 *the sentence.*
 27 (b)(1) Except as specified in subdivision (g), the department
 28 shall grant relief, including dismissal of a conviction, to a person
 29 identified pursuant to subdivision (a), without requiring a petition
 30 or motion by a party for that relief.
 31 (2) The state summary criminal history information shall
 32 include, directly next to or below the entry or entries regarding the
 33 person’s criminal record, a note stating “relief granted,” listing the
 34 date that the department granted relief, relief and this section, and
 35 the section pursuant to which the relief was granted. section. This
 36 note shall be included in all statewide criminal databases with a
 37 record of the conviction.
 38 (3) *Except as otherwise provided in subdivision (d) and in*
 39 *Section 13555 of the Vehicle Code, a person granted conviction*
 40 *relief pursuant to this section shall be released from all penalties*

1 *and disabilities resulting from the offense of which he or she has*
2 *been convicted.*

3 (c)(1) On a weekly basis, the department shall *electronically*
4 submit a notice to the superior court having jurisdiction over the
5 criminal case, informing the court of all cases for which relief was
6 granted pursuant to this section. The court shall not disclose
7 information concerning a conviction granted relief pursuant to this
8 section to any person or entity, except to the person whose
9 conviction was granted relief or a criminal justice agency, as
10 defined in Section 851.92.

11 (2) The department shall not disclose information concerning
12 a criminal conviction record that is granted relief pursuant to this
13 section to a board, as defined in Section 22 of the Business and
14 Professions Code.

15 (d)(1) Relief granted pursuant to this section *is subject to the*
16 *following conditions:* ~~does~~

17 (1) Relief granted pursuant to this section does not relieve a
18 person of the obligation to disclose a criminal conviction in
19 response to a direct question contained in a questionnaire or
20 application for employment as a peace officer, as defined in Section
21 830.

22 (2) Relief granted pursuant to this section does not relieve a
23 person of the obligation to disclose the conviction in response to
24 any direct question contained in any questionnaire or application
25 for public office, for licensure by any state or local agency, or for
26 contracting with the California State Lottery Commission.

27 (2)

28 (3) Relief granted pursuant to this section has no effect on the
29 ability of a criminal justice agency, as defined in Section 851.92,
30 to access and use records that are granted relief. *relief to the same*
31 *extent that would have been permitted for a criminal justice agency*
32 *had relief not been granted.*

33 (3)

34 (4) Relief granted pursuant to this section does not affect a
35 person's authorization to own, possess, or have in the person's
36 custody or control any firearm, or the person's susceptibility to
37 conviction under Chapter 2 (commencing with Section 29800) of
38 Division 9 of Title 4 of Part 6, if the criminal conviction would
39 otherwise affect this authorization or susceptibility.

40 (4)

1 (5) Relief granted pursuant to this section does not affect any
2 prohibition from holding public office that would otherwise apply
3 under law as a result of the criminal conviction.

4 (6) *In any subsequent prosecution of the defendant for any other*
5 *offense, the prior conviction may be pleaded and proved and shall*
6 *have the same effect as if the relief had not been granted.*

7 (e) This section shall not limit petitions, motions, or orders for
8 relief in a criminal case, as required or authorized by any other
9 law, including, but not limited to, Sections 1203.4, 1203.4a,
10 1203.41, and 1203.42.

11 (f) *The department shall annually publish statistics regarding*
12 *the total number of convictions granted relief pursuant to this*
13 *section, and the total number of convictions prohibited from*
14 *automatic relief pursuant to subdivision (h), by county, on the*
15 *OpenJustice Web portal, as defined in Section 13010.*

16 (f)

17 (g) Subdivisions (a) to (e), (g) inclusive, shall be operative
18 commencing January 1, 2021.

19 (g)

20 (h) No later than 90 calendar days before the date of a person’s
21 eligibility for relief pursuant to ~~Section 1203.4, 1203.4a, 1203.41,~~
22 ~~or 1203.42, this section,~~ the prosecuting attorney or probation
23 department may file a motion to prohibit the department from
24 granting automatic relief pursuant to this section. If the court grants
25 that motion, the department shall not grant relief pursuant to this
26 section, but the person may continue to be eligible for relief
27 pursuant to Section 1203.4, 1203.4a, 1203.41, or 1203.42.

28 (i) *At the time of sentencing, the court shall advise a defendant,*
29 *either orally or in writing, of the provisions of this section and of*
30 *the defendant’s right, if any, to petition for a certificate of*
31 *rehabilitation and pardon.*

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**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: SB 255 (Bradford)
Status/Location: Senate Appropriations Committee 4/22/19
Sponsor: Author
Subject: Women, Minority, Disabled Veteran, and LGBT Business Enterprise Procurement: Electric Service Providers: Energy Storage System Companies: Community choice aggregators
Code Section: Amend section 8283 of the Public Utilities Code

Summary: This bill requires the Contractors State License Board to assist the Public Utilities Commission in identifying and developing contact information for distributed energy resource contractors.

Existing law provides regulatory authority over public utilities, including electrical, gas, water, and telephone corporations to the Public Utilities Commission (Commission) and authorizes the Commission to establish rules for all public utilities.

Existing law requires electrical, gas, water, telecommunications and telephone service providers with revenues exceeding \$25,000,000 to annually submit a plan for increasing procurement from women, minority, disabled veteran, and LGBT (diverse) businesses in categories that include renewable energy and other utility projects.

Existing law requires the plans to include methods for encouraging prime contractors and grantees to engage diverse businesses in subcontracting opportunities that include renewable energy and other utility projects.

Existing law requires the Commission to establish guidelines for these service providers to implement these requirements and requires the providers to provide an annual report on the progress of their implementation.

Existing law defines a “distributed energy resource” as “an electric generation or storage technology that complies with the emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Section 94203 of Title 17 of the California Code of Regulations, or any successor regulation” (Public Utilities Code Section 8370).

This bill extends the requirement of service providers who must submit a plan for increasing procurement from diverse business and who must report on the implementation of these plans to include distributed energy resource contractors, energy storage system companies, wholesale generators, and community choice aggregators. The bill decreases the revenue threshold of these providers from \$25,000,000 to \$1,000,000.

The bill extends the projects subject to the effort to increase procurement from WMDVLGBT businesses to energy storage systems and smart grids (among others). The bill also extends the subcontracting opportunities (into which diverse businesses are to engage) to energy storage systems and smart grid projects (among others).

This bill requires the Contractors State License Board (CSLB) to facilitate these efforts and to assist the Commission in “identifying and developing contact information for distributed energy resource contractors.”

This bill defines a “distributed energy resource contractor” as “a corporation or other business entity that employs anyone licensed by the Contractors’ State License Board to perform installations of distributed energy resources, as defined in [Public Utilities Code] Section 8370.”

Background: This bill amends the “utility supplier diversity law.” According to the author, the program is an engine “of socioeconomic mobility for historically-disadvantaged people in the State.” The author notes that “our electric grid has evolved in the 30 years since this initiative began” and that, as a result, SB 255 “updates the statute by including grid participants that play an increasing role in the electric sector.” The author states that, by adopting the law to include distributed energy resource contractors, energy storage system companies, wholesale generators, energy service providers, and community choice aggregators, SB 255 “updates California’s utility supplier diversity statute to match our twenty-first century electric grid.”

Support: (As of April 19, 2019)

California Asian Pacific Islander Chamber of Commerce
California Black Chamber of Commerce
Equality California
Golden Gate Business Association
MCE Clean Energy
Peninsula Clean Energy Authority

Opposition: None on file (As of April 19, 2019)

Fiscal Impact for CSLB: Minor/Absorbable

Staff Recommendation and Comments: WATCH. By amending California’s utility supplier diversity law to include distributed energy resource contractors, this bill places CSLB in the position of identifying the licensed contractors who are authorized to install a “distributed energy resource.”

Date: April 17, 2019 ☐

AMENDED IN SENATE APRIL 2, 2019
AMENDED IN SENATE MARCH 20, 2019

SENATE BILL

No. 255

Introduced by Senator Bradford

February 12, 2019

An act to amend Section 8283 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 255, as amended, Bradford. Women, minority, disabled veteran, and LGBT business enterprise procurement: electric service providers: energy storage system companies: community choice aggregators.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, water, and telephone corporations. Existing law authorizes the commission to establish rules for all public utilities, subject to control by the Legislature.

Existing law defines an "electric service provider" as an entity that offers electrical service to customers within the service territory of an electrical corporation, excluding electrical corporations, local publicly owned electric utilities, and certain cogenerators. Existing law requires that electric service providers register with the commission and provides for the authorization of direct transactions between electric service providers and end-use customers.

Existing law authorizes a community choice aggregator to aggregate the electrical load of electricity consumers within its boundaries and provides that the community choice aggregator is solely responsible for all generation procurement activities on behalf of the community choice aggregator's customers, except where other generation

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procurement arrangements are expressly authorized by statute. Existing law requires a community choice aggregator to develop, adopt, and file with the commission an implementation plan detailing the process and consequences of aggregation and containing specified information.

Existing law directs the commission to require every electrical corporation, gas corporation, water corporation, wireless telecommunications service provider, and telephone corporation with annual gross revenues exceeding \$25,000,000, and their regulated subsidiaries and affiliates, to annually submit a detailed and verifiable plan for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises, as defined, in all categories, including a renewable energy project, as defined, and wireless telecommunications, broadband, smart grid, and rail projects. Existing law requires the reporting of certain information about the implementation of the plans.

This bill would change the \$25,000,000 annual gross revenue threshold above which these requirements become applicable to \$1,000,000 in gross annual California revenues, and would extend these requirements to electric service providers, certain wholesale generators selling electricity to retail sellers, distributed energy resource contractors, and energy storage system companies, as specified. The bill would additionally include energy storage system and vegetation management projects within the enumerated projects to which these requirements apply. The bill would require the Contractors' State License Board to assist the commission in identifying and developing contact information for distributed energy resource contractors.

This bill would require each community choice aggregator with gross annual revenues exceeding \$1,000,000 to annually submit a detailed and verifiable plan to the commission for increasing procurement from small, local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system, and smart grid projects. The bill would require each community choice aggregator with gross annual revenues exceeding \$1,000,000 to annually submit a report to the commission regarding its procurement from women, minority, disabled veteran, and LGBT business enterprises in all categories, including, but not limited to, renewable energy, energy storage system, and smart grid projects.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of an order or decision of the commission implementing the bill's expanded requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime. Because the bill would impose reporting requirements upon community choice aggregators, which are entities of local government, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 8283 of the Public Utilities Code is
2 amended to read:

3 8283. (a)¶The commission shall require each electrical
4 corporation, gas corporation, water corporation, wireless
5 telecommunications service provider, electric service provider,
6 exempt wholesale generator contracting to sell electricity to a retail
7 seller, distributed energy resource contractor, energy storage system
8 company, and telephone corporation with gross annual California
9 revenues exceeding one million dollars (\$1,000,000), and their
10 commission-regulated subsidiaries and affiliates, to submit annually
11 a detailed and verifiable plan for increasing procurement from
12 women, minority, disabled veteran, and LGBT business enterprises
13 in all categories, including, but not limited to, renewable energy,
14 energy storage system, wireless telecommunications, broadband,
15 smart grid, vegetation management, and rail projects.

16 (b)¶These annual plans shall include short- and long-term goals
17 and timetables, but not quotas, and shall include methods for
18 encouraging both prime contractors and grantees to engage women,
19 minority, disabled veteran, and LGBT business enterprises in
20 subcontracts in all categories that provide subcontracting
21 opportunities, including, but not limited to, renewable energy,
22 energy storage system, wireless telecommunications, broadband,
23 smart grid, vegetation management, and rail projects.

1 (c) The commission shall establish guidelines for all electrical
2 corporations, gas corporations, water corporations, wireless
3 telecommunications service providers, electric service providers,
4 exempt wholesale generators contracting to sell electricity to a
5 retail seller, distributed energy resource contractors, energy storage
6 system companies, and telephone corporations with gross annual
7 California revenues exceeding one million dollars (\$1,000,000),
8 and their commission-regulated subsidiaries and affiliates, to be
9 utilized in establishing programs pursuant to this article.

10 (d) Every electrical corporation, gas corporation, water
11 corporation, wireless telecommunications service provider, electric
12 service provider, exempt wholesale generator contracting to sell
13 electricity to a retail seller, distributed energy resource contractor,
14 energy storage system company, and telephone corporation with
15 gross annual California revenues exceeding one million dollars
16 (\$1,000,000) shall furnish an annual report to the commission
17 regarding the implementation of programs established pursuant to
18 this article in a form that the commission shall require, and at the
19 time that the commission shall annually designate.

20 (e)(1) The commission shall require each community choice
21 aggregator with gross annual revenues exceeding one million
22 dollars (\$1,000,000) to annually submit a detailed and verifiable
23 plan to the commission for increasing procurement from small,
24 local, and diverse business enterprises in all categories, including,
25 but not limited to, renewable energy, energy storage system, and
26 smart grid projects.

27 (2)(A) The commission shall require each community choice
28 aggregator with gross annual revenues exceeding one million
29 dollars (\$1,000,000) to annually submit a report to the commission
30 regarding its procurement from women, minority, disabled veteran,
31 and LGBT business enterprises in all categories, including, but
32 not limited to, renewable energy, energy storage system, and smart
33 grid projects.

34 (B) The report shall be in a form that the commission may
35 require and shall be submitted by an annual date that the
36 commission shall designate, consistent with other reports required
37 by this section.

38 (C) The report shall include women, minority, disabled veteran,
39 and LGBT business enterprises with whom a prime contractor or
40 grantee of a community choice aggregator has engaged in contracts

1 or subcontracts for all categories, including, but not limited to,
2 renewable energy, energy storage system, and smart grid projects.

3 (f)(1) The Legislature declares that each electrical corporation,
4 gas corporation, water corporation, mobile telephony service
5 provider, electric service provider, energy storage system company,
6 and telephone corporation that is not required to submit a plan
7 pursuant to subdivision (a) is encouraged to voluntarily adopt a
8 plan for increasing women, minority, disabled veteran, and LGBT
9 business enterprise procurement in all categories.

10 (2) The Legislature declares that each cable television
11 corporation and direct broadcast satellite provider is encouraged
12 to voluntarily adopt a plan for increasing women, minority,
13 disabled veteran, and LGBT business enterprise procurement and
14 to voluntarily report activity in this area to the Legislature on an
15 annual basis.

16 (3) The Legislature declares that each community choice
17 aggregator that is not required to submit a plan pursuant to
18 subdivision (e) is encouraged to voluntarily adopt a plan for
19 increasing procurement from small, local, and diverse business
20 enterprises in all categories.

21 (g) The Contractors' State License Board shall assist the
22 commission in identifying and developing contact information for
23 distributed energy resource contractors.

24 (h) Pursuant to this section, the following terms have the
25 following meanings:

26 (1) "Distributed energy resource contractor" means any person
27 ~~or corporation that installs or operates a distributed energy resource,~~
28 ~~as defined in Section 8370, and that is licensed by the Contractors'~~
29 ~~State License Board.~~ *corporation or other business entity that*
30 *employs anyone licensed by the Contractors' State License Board*
31 *to perform installations of distributed energy resources, as defined*
32 *in Section 8370.*

33 (2) "Energy storage system company" means any person or
34 corporation operating a centralized or distributed energy storage
35 system, as defined in Section 2835, that furnishes electricity to an
36 electrical corporation, local publicly owned electric utility,
37 community choice aggregator, or electric service provider within
38 California, or that supplies electricity to a retail end-use customer
39 of an electrical corporation, local publicly owned electric utility,

1 community choice aggregator, or electric service provider within
2 California.

3 (3) *“Other business entity” has the same meaning as defined*
4 *in Section 174.5 of the Corporations Code.*

5 SEC. 2. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 a local agency or school district has the authority to levy service
8 charges, fees, or assessments sufficient to pay for the program or
9 level of service mandated by this act or because costs that may be
10 incurred by a local agency or school district will be incurred
11 because this act creates a new crime or infraction, eliminates a
12 crime or infraction, or changes the penalty for a crime or infraction,
13 within the meaning of Section 17556 of the Government Code, or
14 changes the definition of a crime within the meaning of Section 6
15 of Article XIII B of the California Constitution.

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CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 556 (Pan)
Status/Location: Senate Business, Professions & Economic Development
Committee Hearing 4/22/19
Sponsor: International Union of Operating Engineers and California &
Nevada Civil Engineers and Land Surveyors Association
Subject: Professional Land Surveyors
Code Section: Amends Sections of the Business and Professions Code
related to professional land surveyors

Summary: This bill changes the definition of civil engineering and land surveying and differentiates these tasks in the area of design that are appropriate for a licensed contractor.

Existing law defines the practice or offer to practice “*civil engineering*” in a public or private capacity, to include the locating, relocating, establishing, reestablishing, retracing the alignment or elevation for any of the fixed works embraced within the practice of civil engineering.

Existing law defines the practice of “*land surveying*” as any person employed in a public or private capacity who does or offers to locate, relocate, establish, reestablish, or layout through the use of mathematics or geometric measurements the alignment or elevation of any of the fixed works embraced within the practice of civil engineering, including but not limited to any items designed within the practice of electrical or mechanical engineering.

This bill, with respect to *civil engineering*, includes within the definition in existing law the additional acts of retracing, or laying out through use of mathematics or geometric measurements, the alignment or elevation of buildings (in addition to fixed works).

This bill, with respect to *land surveying*, includes within the definition in existing law the addition of the alignment or elevation of “buildings” (in addition to fixed works) as the subjects for which a land surveyor may offer to locate, relocate, establish, reestablish, retrace, or layout through the use of mathematics or geometric measurements.

This bill provides that the alignment or elevation of “buildings” within the new definitions of *civil engineering* and *land surveying* “means the exterior location of the building or building control lines . . . does not limit building contractors or others from layout of items based on the grid lines or building corners set by a licensed surveyor.”

This bill provides that the new definitions of *civil engineering* and *land surveying* do not prohibit a licensed contractor “while engaged in the business of contracting for the

installation or layout of electrical or mechanical systems or facilities,” from designing those systems or facilities in “accordance with the applicable building codes and standards for work to be performed and supervised by that contractor within the classification for which their license is issued,” or “from preparing electrical or mechanical shop or field drawings for work which the contractor has contracted to perform.”

Background: The author states, “SB 556 would clarify and modernize the Professional Land Surveyors’ Act, to protect public health and establish a clear line as to when a licensed professional land surveyor is required on a project.” The author states that “the bill would clarify technical terms, reflect technological advances in the field, and close loopholes in the Act’s decades-old definitions of land surveying work and definitions of who may or may not perform such work.”

The Senate Committee on Business, Professions, and Economic Development notes that, “one of the most common forms of unlicensed activity that is brought to the Board’s [Board for Professional Engineering, Land Surveyors, and Geologists] attention involves licensed contractors who may be unknowingly exceeding their license authority by performing professional engineering, land surveying, geological, and geophysical services on projects, particularly in the use of technologically advanced tools.”

The Committee further notes, “as problems of unlicensed activity and other professionals providing services that may be unknowingly outside of their scope of practice, the aim of this bill is to modernize the land surveyors practice act to ensure that the definitions of current practice and technology match what the work of what land surveying is and more clearly identify when a licensed land surveyor is required.”

Support:

International Union of Operating Engineers (Co-Sponsor)
California & Nevada Civil Engineers and Land Surveyors Association (Co-Sponsor)
State Building and Construction Trades Council (March 26th version)

Opposition:

None on file as of April 17, 2019

Fiscal Impact for CSLB: None

Staff Recommendation and Comments: WATCH. This bill is a consideration for CSLB only to the extent that licensed contractors currently engage in the lawful (or potentially unlawful) practice of land surveying in their current business affairs and therefore should be aware of these provisions.

Date: April 19, 2019 ☐

AMENDED IN SENATE APRIL 11, 2019

SENATE BILL

No. 556

Introduced by Senator Pan
(Principal coauthor: Assembly Member Salas)

February 22, 2019

An act to amend Sections ~~8726~~ 6731.1, 8726, and 8729 of, and to add Sections 8728.5, ~~8729.1~~, 8786, 8790.1, ~~8793~~, 14216, and ~~17910.6~~ and 8793 to, the Business and Professions Code, and to add Sections 201.1, 15902.10, 16105.1, 16953.1, and 17702.08 to the Corporation Code, relating to professional land surveyors, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 556, as amended, Pan. Professional land ~~surveyors~~. *surveyors and engineers.*

(1) ~~The~~ *The Professional Engineers Act and the Professional Land Surveyors' Act* provides for the licensure and regulation of professional *engineers and land surveyors* by the Board for Professional Engineers, Land Surveyors, and Geologists. ~~The act establishes~~ *Those acts establish* criminal penalties for violations of specified portions of the act, including the practice of land surveying without a license and giving false evidence to the board in obtaining a license.

Under ~~the act~~, *those acts*, a land surveyor includes a person who engages in specified practices, ~~including~~ *and civil engineering is defined to include* a person who locates, relocates, establishes, reestablishes, or retraces the alignment or elevation for any of the fi ed works embraced within the practice of civil engineering, as defined, determines the configuration or contour of the earth's surface, or the position of fi ed objects above, on, or below the surface of the earth by applying the

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principles of mathematics or photogrammetry, or engages in geodetic or cadastral surveying, as defined.

This bill would include within the practices that subject a person to ~~the act, those acts,~~ with regard to the practice of identifying the alignment or elevation of *buildings, as defined, or other* fixed works, the laying out through the use of mathematics or geometric measurements the alignment or elevation for any of the fixed works embraced within the practice of civil engineering, including any items designed within the practice of electrical engineering or mechanical engineering. The bill would expand the practice of land surveying *and civil engineering* to include determining the benthic surface below water bodies and the measuring for volumetric calculations of earthwork. The bill, with respect to the practice of making determinations regarding the position of objects, would expand that practice to include such a determination made by applying the principles of mathematics, photogrammetry, or ~~remote sensing.~~ *sensing, as defined* The bill would further revise that practice so that the determination regarding the position of objects is made regarding either manmade or natural objects, instead of fixed objects. The bill would modify the definition of geodetic ~~surveying~~ *surveying, for purposes of the Professional Land Surveyor Act,* to mean performing surveys by using techniques or methods of three-dimensional data acquisitions, and make conforming changes to that effect.

The bill would impose a state-mandated local program by expanding those practices that constitute land surveying, thereby expanding the persons subject to the act, the violation of which is a crime.

(2) Existing law requires fees and civil penalties received pursuant to ~~the act~~ *Professional Land Surveyors' Act* to be deposited in the Professional Engineer's, Land Surveyor's, and Geologist's Fund, and continuously appropriates those funds to the board for purposes of the act.

This bill would prohibit a ~~business~~ *business, except for a sole proprietorship or a limited liability company,* from engaging in the practice of, or offering services for, land surveying in this state unless that business obtains a certificate from the board. The bill would require the board to develop a process to that effect, including developing an application form that meets certain requirements, including that the applicant pay a ~~fee of \$200 for fee,~~ *as determined by the board, for that certificate* ~~certificate and a process to renew and revoke a certificate~~ . This bill would ~~impose a minimum fine of \$20,000~~ *authorize the board*

to impose a fine, as specified on a business that performs land surveying without a certificate. By authorizing additional fees and penalties to be deposited into a continuously appropriated fund, this bill would make an appropriation. By expanding the scope of the existing crime with respect to giving false evidence to the board, this bill would impose a state-mandated local program.

~~(3) The act requires that any civil engineering, mechanical engineering, or electrical engineering plans and other specified documents, prepared by a registered engineer, that are permitted or that are to be released for construction shall bear the signature and seal or stamp of the licensee, the date of signing and sealing or stamping, and the expiration date of the certificate, authority, or registration.~~

(3) The Professional Land Surveyors' Act authorizes an individual or business engaged in any line of endeavor other than the practice of civil, electrical, or mechanical engineering from employing or contracting with a licensed civil, electrical, or mechanical engineer to perform the respective engineering services that are incidental to the conduct of business.

~~The bill would require any department or agency of the state or any city, county, city and county, district, or special district that accepts any maps, plans, reports, descriptions, or other documentary evidence in connection with the practice of land surveying to report to the board any of these documents that fail to identify the person authorized to practice land surveying. The bill would require an individual or business that does not have a license or a certificate to practice land surveying to employ or contract with an individual or business that has a license or a business that has a certificate to practice land surveying to perform land surveying services that are incidental to the conduct of their business. The bill would require a business, as defined, that has a certificate to practice land surveying to carry professional liability insurance or to provide notice to any person or entity to which land surveying services are offered that the business does not carry professional liability insurance.~~

~~(4) Existing law requires the board to enforce all of the provisions of the act, and to prosecute all violations of the act that come to its notice.~~

This bill would require the board to send a copy of each valid complaint, as defined, to all boards that regulate the health and safety of persons working on construction, building, or infrastructure projects,

as well as all boards that regulate the wages and other labor requirements related to those persons.

~~(5) Existing law requires the Secretary of State to issue a certificate of registration for a trade mark and to file articles of incorporation, a certification of limited partnership, a statement of partnership, a registration of a limited liability partnership, or the articles of organization of a limited liability company if the filing entity meets the specified requirements. Existing law prohibits a county clerk from accepting a fictitious business name statement that includes the words “corporation” or “limited liability company” if the entity is not organized as a corporation or limited liability company respectively.~~

~~This bill would prevent the Secretary of State from issuing a certificate of registration or from filing any of these documents if the trade mark or document sets for a name in which “engineer,” “engineering,” “surveyor,” “surveying,” “mapping,” “aerial mapping,” “photogrammetry,” or any modification or derivation thereof appear, unless the business has a certificate to practice land surveying granted by the board is attached. The bill would prohibit a county clerk from accepting a fictitious business name statement setting forth a name in which “engineer,” “engineering,” “surveyor,” “surveying,” “mapping,” “aerial mapping,” “photogrammetry,” or any modification or derivation thereof appear, unless a certificate to practice land surveying granted by the board is attached.~~

~~(6)~~

~~(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.~~

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

- 1 *SECTION 1. Section 6731.1 of the Business and Professions*
- 2 *Code is amended to read:*
- 3 *6731.1. Civil engineering also includes the practice or offer to*
- 4 *practice, either in a public or private capacity, all of the following:*
- 5 *(a) Locates, relocates, establishes, reestablishes, ~~or retraces~~*
- 6 *retraces, or lays out through the use of mathematics or geometric*

1 *measurements* the alignment or elevation for any ~~of~~ *buildings* or
2 *other* the fi ed works embraced within the practice of civil
3 engineering, as described in Section 6731.

4 (1) *This subdivision shall not prohibit a contractor, licensed*
5 *under Chapter 9 (commencing with Section 7000) of Division 3,*
6 *while engaged in the business of contracting for the installation*
7 *or layout of electrical or mechanical systems or facilities, from*
8 *designing those systems or facilities in accordance with the*
9 *applicable building codes and standards for work to be performed*
10 *and supervised by that contractor within the classification for*
11 *which their license is issued, or from preparing electrical or*
12 *mechanical shop or field drawings for work which the contractor*
13 *has contracted to perform.*

14 (2) *For purposes of this subdivision, “buildings” means the*
15 *exterior location of the building or building control lines and does*
16 *not limit building contractors or others from layout of items based*
17 *on the grid lines or building corners set by a licensed surveyor.*

18 (b)(1) ~~Determines the configuration or contour of the earth’s~~
19 ~~surface~~ *surface, the benthic surface below water bodies, the*
20 *measuring for volumetric calculations of earthwork, or the position*
21 *of manmade or natural fi ed objects above, on, or below the*
22 *surface of earth by applying the principles of ~~trigonometry or~~*
23 ~~photogrammetry~~ *mathematics, photogrammetry, or remote*
24 *sensing.*

25 (2) *For purposes of this subdivision, “remote sensing” means*
26 *the detecting, collection, processing, and analysis of physical*
27 *objects regarding the location or dimensions of a location or*
28 *object, or otherwise using various acquisition methods intended*
29 *to or resulting in the determination of the configu ation or contour*
30 *of the earth’s surface, or the position of fixed objects above, on,*
31 *or below the surface of the earth.*

32 (c) ~~Creates, prepares, or modifies electronic or computerized~~
33 ~~data in the performance of the activities described in subdivisions~~
34 ~~(a) and (b).~~

35 (d) ~~Renders a statement regarding the accuracy of maps or~~
36 ~~measured survey data pursuant to subdivisions (a), (b), and (c).~~

37 **SECTION 1.**

38 *SEC. 2.* Section 8726 of the Business and Professions Code is
39 amended to read:

1 8726. A person, including any person employed by the state
 2 or by a city, county, or city and county within the state, practices
 3 land surveying within the meaning of this chapter who, either in
 4 a public or private capacity, does or offers to do any one or more
 5 of the following:

6 (a) Locates, relocates, establishes, reestablishes, retraces, or
 7 lays out through the use of mathematics or geometric measurements
 8 the alignment or elevation for any of the *buildings or other fi ed*
 9 works embraced within the practice of civil engineering, as
 10 described in Section 6731, including, but not limited to, any items
 11 designed within the practice of electrical engineering, as described
 12 in Section 6731.5, or mechanical engineering, as described in
 13 Section 6731.6

14 *(1) This section shall not prohibit a contractor, licensed under*
 15 *Chapter 9 (commencing with Section 7000) of Division 3, while*
 16 *engaged in the business of contracting for the installation or layout*
 17 *of electrical or mechanical systems or facilities, from designing*
 18 *those systems of facilities in accordance with the applicable*
 19 *construction codes and standards for work to be performed and*
 20 *supervised by that contractor within the classification for which*
 21 *their license is issued, or from preparing electrical or mechanical*
 22 *shop or field drawings for work the contractor has contracted to*
 23 *perform.*

24 *(2) For purposes of this subdivision, “buildings” means the*
 25 *exterior location of the building or building control lines and does*
 26 *not limit building contractors or others from layout of items based*
 27 *on the grid lines or building corners set by a licensed surveyor.*

28 (b)(1) Determines the configuration or contour of the earth’s
 29 surface, the benthic surface below water bodies, the measuring for
 30 volumetric calculations of earthwork, or the position of manmade
 31 or natural fi ed objects above, on, or below the surface of the earth
 32 by applying the principles of mathematics, photogrammetry, or
 33 remote sensing.

34 *(2) For purposes of this subdivision, “remote sensing” means*
 35 *the detecting, collection, processing, and analysis of physical*
 36 *objects regarding the location or dimensions of a location or*
 37 *object, or otherwise using various acquisition methods intended*
 38 *to or resulting in the determination of the configur ation or contour*
 39 *of the earth’s surface, or the position of fixed objects above, on,*
 40 *or below the surface of the earth.*

1 (c) Locates, relocates, establishes, reestablishes, or retraces any
2 property line or boundary of any parcel of land, right-of-way,
3 easement, or alignment of those lines or boundaries.

4 (d) Makes any survey for the subdivision or resubdivision of
5 any tract of land. For the purposes of this subdivision, the term
6 “subdivision” or “resubdivision” shall be defined to include, but
7 not be limited to, the definition in the Subdivision Map Act
8 (Division 2 (commencing with Section 66410) of Title 7 of the
9 Government Code) or the Subdivided Lands Law (Chapter 1
10 (commencing with Section 11000) of Part 2 of Division 4 of this
11 code).

12 (e) By the use of the principles of land surveying determines
13 the position for any monument or reference point which marks a
14 property line, boundary, or corner, or sets, resets, or replaces any
15 monument or reference point.

16 (f) Geodetic surveying or cadastral surveying. As used in this
17 chapter, geodetic surveying means performing surveys, by using
18 techniques or methods of three dimensional geospatial data
19 acquisition in which account is taken of the figure and size of the
20 earth to determine or predetermine the horizontal or vertical
21 positions of fixed objects thereon or related thereto, geodetic
22 control points, monuments, or stations for use in the practice of
23 land surveying or for stating the geospatial establishment of three
24 dimensional positions of fixed objects, geodetic control points,
25 monuments, or stations by California Coordinate System
26 coordinates in accordance with Chapter 1 (commencing with
27 Section 8801) of Division 8 of the Public Resources Code.

28 (g) Determines the information shown or to be shown on any
29 map or document prepared or furnished in connection with any
30 one or more of the functions described in subdivisions (a), (b), (c),
31 (d), (e), and (f).

32 (h) Indicates, in any capacity or in any manner, by the use of
33 the title “land surveyor” or by any other title or by any other
34 representation that the person practices or offers to practice land
35 surveying in any of its branches.

36 (i) Procures or offers to procure land surveying work for
37 themselves or others.

38 (j) Manages, or conducts as manager, proprietor, or agent, any
39 place of business from which land surveying work is solicited,
40 performed, or practiced.

1 (k)☐Coordinates the work of professional, technical, or special
2 consultants in connection with the activities authorized by this
3 chapter.

4 (l)☐Determines the information shown or to be shown within
5 the description of any deed, trust deed, or other title document
6 prepared for the purpose of describing the limit of real property
7 in connection with any one or more of the functions described in
8 subdivisions (a) to (f), inclusive.

9 (m)☐Creates, prepares, or modifies electronic or computerized
10 data in the performance of the activities described in subdivisions
11 (a), (b), (c), (d), (e), (f), (k), and (l).

12 (n)☐Renders a statement regarding the accuracy of maps or
13 measured survey data.

14 Any department or agency of the state or any city, county, or
15 city and county that has an unregistered person in responsible
16 charge of land surveying work on January 1, 1986, shall be exempt
17 from the requirement that the person be licensed as a land surveyor
18 until the person currently in responsible charge is replaced.

19 The review, approval, or examination by a governmental entity
20 of documents prepared or performed pursuant to this section shall
21 be done by, or under the direct supervision of, a person authorized
22 to practice land surveying.

23 *(o) Nothing in this section shall require the use of a licensed*
24 *land surveyor for underground utility locating and subsurface*
25 *imaging that is not required under this chapter as it read on*
26 *January 1, 2018.*

27 ~~SEC. 2.~~

28 *SEC. 3.* Section 8728.5 is added to the Business and Professions
29 Code, to read:

30 8728.5. (a)☐For purposes of this section, “business” means a
31 partnership, general partnership, limited liability partnership,
32 ~~limited liability company~~, or corporation. *However, “business”*
33 *does not include a sole proprietorship or a limited liability*
34 *company. Nothing in this section requires a certificate for any*
35 *form of corporation or partnership otherwise prohibited in this*
36 *chapter from offering or providing land surveying services.*

37 (b)☐A business shall not engage in the practice of, or offer
38 services for, land surveying, as defined in Section 8726, in the
39 state, unless that business obtains a certificate from the board
40 pursuant to the requirements of this section.

1 (c) The board shall create a process to certify a business
 2 practicing land surveying. As a part of that process, the board shall
 3 establish an application form for a business to apply for
 4 certification, that shall contain all of the information required by
 5 subdivision (d), as well as any other information the board
 6 determines is necessary or convenient to administer this section.

7 (d) A business shall apply for a certificate to practice land
 8 surveying by submitting an application form to the board. The
 9 board shall grant the certificate if the business submits *may develop*
 10 *rules and regulations governing the conditions under which a*
 11 *certificate shall be granted, including, but not limited to, taking*
 12 *into consideration whether the business has submitted* the following
 13 requirements to the board:

14 (1) A completed application form that includes all of the
 15 following:

16 (A) The name and address of the business applying for the
 17 certification.

18 ~~(B) The type of land surveying practiced by the business.~~

19 ~~(C)~~

20 (B) The name and current state license number of the
 21 professional land surveyor *or civil engineer* who will be the
 22 responsible charge of work of the business.

23 ~~(D)~~

24 (C) The name of the partners in a partnership, general
 25 partnership, or limited liability partnership, ~~the names of the~~
 26 ~~members holding a majority interest of a limited liability company,~~
 27 or the names of the majority stockholders of a corporation.

28 ~~(E)~~

29 (D) The signature and title of an agent authorized by the
 30 partnership, general partnership, limited liability partnership,
 31 ~~limited liability company,~~ or corporation to submit the application.

32 ~~(2) An application fee of two hundred dollars (\$200):~~

33 (2) (A) *The board shall charge an application fee as determined*
 34 *pursuant to Section 8805.*

35 (B) *The board may develop rules and regulations governing*
 36 *both of the following:*

37 (i) *The circumstances when the board may require a business*
 38 *to seek a renewal of an existing certificat , including, but not*
 39 *limited to, consideration of a business's change of ownership.*

1 (ii) *The circumstances when the board may revoke an existing*
 2 *certificat .*

3 (3) ~~¶A—certific~~ copy of a resolution by the partners of a
 4 partnership, the general partners of a general partnership or a
 5 limited liability partnership, ~~the managing members of a limited~~
 6 ~~liability company~~, or the board of directors of a corporation that
 7 designates an individual in the business with a current license
 8 issued by this state for the practice of land surveying *or civil*
 9 *engineering who is authorized to practice surveying* that is the
 10 responsible charge for work and that has the authority to make all
 11 final decisions in the practice of land surveying on behalf of the
 12 business.

13 (4) ~~¶A~~ copy of the partnership agreement of a partnership, general
 14 partnership, or limited liability partnership, the articles of
 15 incorporation ~~or operating agreement of a limited liability~~
 16 ~~company~~, or the bylaws of a corporation.

17 (5) ~~¶A~~ statement of land surveying experience of the business
 18 during the fi e years preceding the date of the application.

19 (e) ~~¶A~~ business that is organized or incorporated in a state or
 20 territory outside of California shall not offer land surveying
 21 services in California unless that business obtains a certificate
 22 under this ~~section~~. *section and complies with all other requirements*
 23 *of this chapter.*

24 ~~SEC. 3.~~

25 *SEC. 4.* Section 8729 of the Business and Professions Code,
 26 as amended by Section 3 of Chapter 150 of the Statutes of 2018,
 27 is amended to read:

28 8729. (a) ~~¶~~This chapter does not prohibit one or more licensed
 29 land surveyors or civil engineers licensed in this state prior to 1982
 30 (hereinafter called civil engineers) from practicing or offering to
 31 practice, within the scope of their licensure, land surveying as a
 32 sole proprietorship, partnership, limited liability partnership, firm,
 33 or corporation (hereinafter called business), if the following
 34 conditions are satisfied:

35 (1) ~~¶A~~ land surveyor or civil engineer currently licensed in the
 36 state is an owner, partner, or officer in charge of the land surveying
 37 practice of the business.

38 (2) ~~¶A~~All land surveying services are performed by or under the
 39 responsible charge of a land surveyor or civil engineer.

1 (3) If the business name of a California land surveying business
2 contains the name of a person, then that person shall be licensed
3 by the board as a land surveyor or licensed by the board in any
4 year as a civil engineer. Any offer, promotion, or advertisement
5 by the business that contains the name of any individual in the
6 business, other than by use of the name of the individual in the
7 business name, shall clearly and specifically designate the license
8 discipline of each individual named.

9 (b) An out-of-state business with a branch office in this state
10 shall meet the requirements of subdivision (a) and shall have an
11 owner, partner, or officer who is in charge of the land surveying
12 work in this state, who is licensed in this state, and who is
13 physically present at the branch office in this state on a regular
14 basis. However, the name of the business may contain the name
15 of a person not licensed in this state, if that person is appropriately
16 licensed or registered in another state. Any offer, promotion, or
17 advertisement that contains the name of any individual in the
18 business, other than by use of the name of the individual in the
19 business name, shall clearly and specifically designate the license
20 or registration discipline of each individual named.

21 (c) The business name of a California land surveying business
22 may be a fictitious name. However, if the fictitious name includes
23 the names of any person, the requirements of paragraph (3) of
24 subdivision (a) shall be met.

25 (d) A person not licensed under this chapter or licensed as a
26 civil engineer in this state prior to 1982 may also be a partner or
27 an officer of a land surveying business if the conditions of
28 subdivision (a) are satisfied. Nothing in this section shall be
29 construed to permit a person who is not licensed under this chapter
30 or licensed as a civil engineer in this state prior to 1982 to be the
31 sole owner or officer of a land surveying business, unless otherwise
32 exempt under this chapter.

33 (e) ~~If an individual or a business that does not have a license or~~
34 ~~a certificate to practice land surveying under this chapter needs~~
35 ~~land surveying services performed that are incidental to the conduct~~
36 ~~of their business, the individual or business shall employ employ,~~
37 ~~pursuant to paragraph (1) of subdivision (a), or contract with an~~
38 ~~individual or business that has a license or a business that has a~~
39 ~~certificate to practice land surveying.~~

1 (f) This section shall not prevent the use of the name of any
 2 business engaged in rendering land surveying services, including
 3 the use by any lawful successor or survivor, that lawfully was in
 4 existence on June 1, 1941. However, the business is subject to the
 5 provisions of paragraphs (1) and (2) of subdivision (a).

6 (g) A business engaged in rendering land surveying services
 7 may use in its name the name of a deceased or retired person if
 8 the following conditions are satisfied:

9 (1) The person's name had been used in the name of the
 10 business, or a predecessor in interest of the business, prior to the
 11 death or retirement of the person.

12 (2) The person shall have been an owner, partner, or officer of
 13 the business, or an owner, partner, or officer of the predecessor in
 14 interest of the business.

15 (3) The person shall have been licensed as a land surveyor or a
 16 civil engineer by the board, if operating a place of business or
 17 practice in this state, or by an applicable state board in the event
 18 no place of business existed in this state.

19 (4) The person, if retired, has consented to the use of the name
 20 and does not permit the use of the name in the title of another land
 21 surveying business in this state during the period of that consent,
 22 except that a retired person may use their name as the name of a
 23 new or purchased business, if that business is not identical in every
 24 respect to that person's name as used in the former business.

25 (5) The business shall be subject to paragraphs (1) and (2) of
 26 subdivision (a).

27 (h) This section does not affect Sections 6731.2 and 8726.1.

28 (i) A current organization record form shall be filed with the
 29 board for all businesses engaged in rendering professional land
 30 surveying services.

31 (j) This section shall remain in effect only until January 1, 2026,
 32 and as of that date is repealed.

33 ~~SEC. 4.~~

34 *SEC. 5.* Section 8729 of the Business and Professions Code,
 35 as amended by Section 4 of Chapter 150 of the Statutes of 2018,
 36 is amended to read:

37 8729. (a) This chapter does not prohibit one or more licensed
 38 land surveyors or civil engineers licensed in this state prior to 1982
 39 (hereinafter called civil engineers) from practicing or offering to
 40 practice within the scope of their licensure, land surveying as a

1 sole proprietorship, partnership, firm, or corporation (hereinafter
2 called business), if the following conditions are satisfied:

3 (1) A land surveyor or civil engineer currently licensed in the
4 state is an owner, partner, or officer in charge of the land surveying
5 practice of the business.

6 (2) All land surveying services are performed by or under the
7 responsible charge of a land surveyor or civil engineer.

8 (3) If the business name of a California land surveying business
9 contains the name of a person, then that person shall be licensed
10 by the board as a land surveyor or licensed by the board in any
11 year as a civil engineer. Any offer, promotion, or advertisement
12 by the business that contains the name of any individual in the
13 business, other than by use of the name of the individual in the
14 business name, shall clearly and specifically designate the license
15 discipline of each individual named.

16 (b) An out-of-state business with a branch office in this state
17 shall meet the requirements of subdivision (a) and shall have an
18 owner, partner, or officer who is in charge of the land surveying
19 work in this state, who is licensed in this state, and who is
20 physically present at the branch office in this state on a regular
21 basis. However, the name of the business may contain the name
22 of a person not licensed in this state, if that person is appropriately
23 licensed or registered in another state. Any offer, promotion, or
24 advertisement that contains the name of any individual in the
25 business, other than by use of the name of the individual in the
26 business name, shall clearly and specifically designate the license
27 or registration discipline of each individual named.

28 (c) The business name of a California land surveying business
29 may be a fictitious name. However, if the fictitious name includes
30 the names of any person, the requirements of paragraph (3) of
31 subdivision (a) shall be met.

32 (d) A person not licensed under this chapter or licensed as a
33 civil engineer in this state prior to 1982 may also be a partner or
34 an officer of a land surveying business if the conditions of
35 subdivision (a) are satisfied. Nothing in this section shall be
36 construed to permit a person who is not licensed under this chapter
37 or licensed as a civil engineer in this state prior to 1982 to be the
38 sole owner or office of a land surveying business, unless otherwise
39 exempt under this chapter.

1 (e) If an individual or a business that does not have a license or
 2 a certificate to practice land surveying under this chapter needs
 3 land surveying services performed that are incidental to the conduct
 4 of their business, the individual or business shall employ employ,
 5 pursuant to paragraph (1) of subdivision (a), or contract with an
 6 individual or business that has a license or a business that has a
 7 certificate to practice land surveying.

8 (f) This section shall not prevent the use of the name of any
 9 business engaged in rendering land surveying services, including
 10 the use by any lawful successor or survivor, that lawfully was in
 11 existence on June 1, 1941. However, the business is subject to the
 12 provisions of paragraphs (1) and (2) of subdivision (a).

13 (g) A business engaged in rendering land surveying services
 14 may use in its name the name of a deceased or retired person if
 15 the following conditions are satisfied:

16 (1) The person's name had been used in the name of the
 17 business, or a predecessor in interest of the business, prior to the
 18 death or retirement of the person.

19 (2) The person shall have been an owner, partner, or officer of
 20 the business, or an owner, partner, or officer of the predecessor in
 21 interest of the business.

22 (3) The person shall have been licensed as a land surveyor or a
 23 civil engineer by the board, if operating a place of business or
 24 practice in this state, or by an applicable state board in the event
 25 no place of business existed in this state.

26 (4) The person, if retired, has consented to the use of the name
 27 and does not permit the use of the name in the title of another land
 28 surveying business in this state during the period of that consent,
 29 except that a retired person may use their name as the name of a
 30 new or purchased business, if that business is not identical in every
 31 respect to that person's name as used in the former business.

32 (5) The business shall be subject to paragraphs (1) and (2) of
 33 subdivision (a).

34 (h) This section does not affect Sections 6731.2 and 8726.1.

35 (i) A current organization record form shall be filed with the
 36 board for all businesses engaged in rendering professional land
 37 surveying services.

38 (j) This section shall become operative on January 1, 2026.

39 SEC. 5. Section 8729.1 is added to the Business and Professions
 40 Code, to read:

1 ~~8729.1. A business that obtains a certificate under Section~~
 2 ~~8728.5, shall either carry professional liability insurance or provide~~
 3 ~~notice to any person or entity to which land surveying services are~~
 4 ~~offered that the business does not carry professional liability~~
 5 ~~insurance. The notice shall consist of a sign prominently displayed~~
 6 ~~in the reception area or the entrance of the business and on every~~
 7 ~~written contract for the performance of land surveying.~~

8 ~~SEC. 6. Section 8786 is added to the Business and Professions~~
 9 ~~Code, to read:~~

10 ~~8786. Any department or agency of the state or any city, county,~~
 11 ~~city and county, district, or special district that accepts any maps,~~
 12 ~~plans, reports, descriptions, or other documentary evidence in~~
 13 ~~connection with the practice of land surveying, as described in~~
 14 ~~Section 8726, shall report to the board any of these documents~~
 15 ~~received that fail to identify the person authorized to practice land~~
 16 ~~surveying pursuant to Section 8761.~~

17 ~~SEC. 7.~~

18 ~~SEC. 6. Section 8790.1 is added to the Business and Professions~~
 19 ~~Code, to read:~~

20 ~~8790.1. (a) Upon receipt of a valid complaint, the board shall~~
 21 ~~send a copy of the complaint to the following state boards:~~

22 ~~(1) Boards that regulate the health and safety of persons working~~
 23 ~~on construction, building, or infrastructure projects.~~

24 ~~(2) Boards that regulate the wages and other labor requirements~~
 25 ~~related to persons working on construction, building, or~~
 26 ~~infrastructure projects.~~

27 ~~(b) For the purposes of this section, “valid complaint” means~~
 28 ~~one for which the board determines that a violation of this chapter~~
 29 ~~may have or is likely to have occurred.~~

30 ~~(c) It is the intent of the Legislature in enacting this section to~~
 31 ~~ensure these state boards are made aware of the possible need to~~
 32 ~~further investigate and regulate the cited business, as defined by~~
 33 ~~subdivision (a) of Section 8728.5.~~

34 ~~SEC. 8.~~

35 ~~SEC. 7. Section 8793 is added to the Business and Professions~~
 36 ~~Code, to read:~~

37 ~~8793. Any business, as defined in subdivision (a) of Section~~
 38 ~~8728.5, that performs land surveying without a certificate obtained~~
 39 ~~under Section 8728.5 shall pay a fine of a minimum of twenty~~
 40 ~~thousand dollars (\$20,000). *be subject to the board’s citation*~~

1 authority pursuant to Section 148. For purposes of this section,
 2 and notwithstanding Section 125.9, the board may impose fines
 3 on a business described in this section, in an amount that is higher
 4 than the maximum authorized in Section 125.9, if the board
 5 concludes it is necessary to deter violations of this chapter.

6 ~~SEC. 9. Section 14216 is added to the Business and Professions~~
 7 ~~Code, to read:~~

8 ~~14216. The Secretary of State shall not issue a certificate of~~
 9 ~~registration for a mark setting forth a name in which “engineer,”~~
 10 ~~“engineering,” “surveyor,” “surveying,” “mapping,” “aerial~~
 11 ~~mapping,” “photogrammetry,” or any modification or derivation~~
 12 ~~thereof appear, unless a certificate granted under Section 8728.5~~
 13 ~~of the Business and Professions Code by the Board for Professional~~
 14 ~~Engineers, Land Surveyors, and Geologists is attached.~~

15 ~~SEC. 10. Section 17910.6 is added to the Business and~~
 16 ~~Professions Code, to read:~~

17 ~~17910.6. A county clerk shall not accept a fictitious business~~
 18 ~~name statement setting forth a name in which “engineer,”~~
 19 ~~“engineering,” “surveyor,” “surveying,” “mapping,” “aerial~~
 20 ~~mapping,” “photogrammetry,” or any modification or derivation~~
 21 ~~thereof appear, unless a certificate granted under Section 8728.5~~
 22 ~~of the Business and Professions Code by the Board for Professional~~
 23 ~~Engineers, Land Surveyors, and Geologists is attached.~~

24 ~~SEC. 11. Section 201.1 is added to the Corporations Code, to~~
 25 ~~read:~~

26 ~~201.1. The Secretary of State shall not file articles setting forth~~
 27 ~~a name in which “engineer,” “engineering,” “surveyor,”~~
 28 ~~“surveying,” “mapping,” “aerial mapping,” “photogrammetry,”~~
 29 ~~or any modification or derivation thereof appear, unless a certificate~~
 30 ~~granted under Section 8728.5 of the Business and Professions Code~~
 31 ~~by the Board for Professional Engineers, Land Surveyors, and~~
 32 ~~Geologists is attached.~~

33 ~~SEC. 12. Section 15902.10 is added to the Corporations Code,~~
 34 ~~to read:~~

35 ~~15902.10. The Secretary of State shall not file a certificate of~~
 36 ~~limited partnership setting forth a name in which “engineer,”~~
 37 ~~“engineering,” “surveyor,” “surveying,” “mapping,” “aerial~~
 38 ~~mapping,” “photogrammetry,” or any modification or derivation~~
 39 ~~thereof appear, unless a certificate granted under Section 8728.5~~

1 of the Business and Professions Code by the Board for Professional
2 Engineers, Land Surveyors, and Geologists is attached.

3 ~~SEC. 13.~~ Section 16105.1 is added to the Corporations Code,
4 to read:

5 16105.1. The Secretary of State shall not file a statement setting
6 forth a name in which “engineer,” “engineering,” “surveyor,”
7 “surveying,” “mapping,” “aerial mapping,” “photogrammetry,”
8 or any modification or derivation thereof appear, unless a certificate
9 granted under Section 8728.5 of the Business and Professions Code
10 by the Board for Professional Engineers, Land Surveyors, and
11 Geologists is attached.

12 ~~SEC. 14.~~ Section 16953.1 is added to the Corporations Code,
13 to read:

14 16953.1. The Secretary of State shall not file a registration
15 setting forth a name in which “engineer,” “engineering,”
16 “surveyor,” “surveying,” “mapping,” “aerial mapping,”
17 “photogrammetry,” or any modification or derivation thereof
18 appear, unless a certificate granted under Section 8728.5 of the
19 Business and Professions Code by the Board for Professional
20 Engineers, Land Surveyors, and Geologists is attached.

21 ~~SEC. 15.~~ Section 17702.08 is added to the Corporations Code,
22 to read:

23 17702.08. The Secretary of State shall not file an articles of
24 organization setting forth a name in which “engineer,”
25 “engineering,” “surveyor,” “surveying,” “mapping,” “aerial
26 mapping,” “photogrammetry,” or any modification or derivation
27 thereof appear, unless a certificate granted under Section 8728.5
28 of the Business and Professions Code by the Board for Professional
29 Engineers, Land Surveyors, and Geologists is attached.

30 ~~SEC. 16.~~

31 *SEC. 8.* No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school
34 district will be incurred because this act creates a new crime or
35 infraction, eliminates a crime or infraction, or changes the penalty
36 for a crime or infraction, within the meaning of Section 17556 of
37 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

O

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 544 (Brough)
Status/Location: Assembly Business & Professions Comm. Hearing 4/23/19
Sponsor: Author
Subject: Professions and Vocations: Inactive License Fees
Code Section: Amend Business and Professions Code section 7076.5

Summary: This bill would reduce the fee to reactivate an inactive license by 50 percent.

Existing law requires that, in order to reactivate an inactive license, a contractor must pay the full fee charged to renew an active license. The current CSLB fee to renew an active license is \$400.

This bill would amend BPC section 7076.5 to require a licensee to pay “a fee no more than 50 percent of the renewal fee for an active license” to reactivate an inactive license. If this bill becomes law, CSLB would need to charge \$200, instead of \$400, for all requests to renew inactive licenses.

Background: According to the author, “AB 544 removes the barriers to reenter a licensed job by simply helping individuals who have an inactive or expired license afford to reactive their license and get back to work.” The bill fact sheet mentions the October 2016 Little Hoover Commission report that found that one in five Californians must receive permission from the state to work and pay an average of \$300 in licensing fees.

Support: None currently on file (4/16/19)

Opposition: None currently on file (4/16/19)

Fiscal Impact for CSLB: CSLB receives approximately 1,500 requests to reactivate a license each year, which amounts to \$600,000 in fees. If this bill becomes law, CSLB would need to charge \$200, instead of \$400, per request, leading to an estimated annual revenue loss of \$300,000.

Staff Recommendation and Comments: OPPOSE. While the policy of reducing barriers to licensure is laudable, this bill would result in a significant annual revenue loss to CSLB. CSLB relies heavily on the licensing fees it collects each year to fund its public affairs, licensing, and enforcement programs. An annual loss of over a quarter million dollars would substantially compromise CSLB’s consumer protection mandate and its efforts to combat the underground economy.

Date: April 16, 2019

ASSEMBLY BILL

No. 544

Introduced by Assembly Member Brough

February 13, 2019

~~An act to amend Section 4073 of the Business and Professions Code, relating to healing arts.~~ *An act to amend Sections 121.5, 462, 703, 1006.5, 1718, 1718.3, 1936, 2427, 2456.3, 2535.2, 2538.54, 2646, 2734, 2892.1, 2984, 3147, 3147.7, 3524, 3774, 3775.5, 4545, 4843.5, 4901, 4966, 4989.36, 4999.104, 5070.6, 5600.2, 5680.1, 6796, 6980.28, 7076.5, 7417, 7672.8, 7725.2, 7729.1, 7881, 7883, 8024.7, 8802, 9832, 9832.5, 9884.5, 19170.5, and 19290 of the Business and Professions Code, relating to professions and vocations.*

LEGISLATIVE COUNSEL'S DIGEST

AB 544, as amended, Brough. ~~Prescriptions.~~ *Professions and vocations: inactive license fees and accrued and unpaid renewal fees.*

Existing law provides for the licensure and regulation of professions and vocations by various boards within the Department of Consumer Affairs. Existing law provides for the payment of a fee for the renewal of certain licenses, certificates, or permits in an inactive status, and, for certain licenses, certificates, and permits that have expired, requires the payment of all accrued fees as a condition of reinstatement of the license, certificat , or permit.

This bill would limit the maximum fee for the renewal of a license in an inactive status to no more than 50% of the renewal fee for an active license. The bill would also prohibit a board from requiring payment of accrued and unpaid renewal fees as a condition of reinstating an expired license or registration.

~~The Pharmacy Law provides for the licensure and regulation of pharmacists and pharmacies by the California State Board of Pharmacy, which is within the Department of Consumer Affairs, and authorizes a pharmacist filling a prescription order for a drug product prescribed by its brand or trade name to select another drug product with the same active chemical ingredients of the same strength, quantity, and dosage form, and of the same generic drug name of those drug products having the same active chemical ingredients, as specified.~~

~~This bill would make a nonsubstantive change to that provision.~~

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

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

1 SECTION 1. Section 121.5 of the Business and Professions
2 Code is amended to read:

3 121.5. (a) ~~Except as otherwise provided in this code, the~~
4 application of delinquency fees ~~or accrued and unpaid renewal~~
5 fees for the renewal of expired licenses or registrations shall not
6 apply to licenses or registrations that have lawfully been designated
7 as inactive or retired.

8 (b) *Notwithstanding any other law, a board shall not require a*
9 *person to pay accrued and unpaid renewal fees as a condition of*
10 *reinstating an expired license or registration.*

11 SEC. 2. Section 462 of the Business and Professions Code is
12 amended to read:

13 462. (a) ~~Any of the boards, bureaus, commissions, or programs~~
14 within the department may establish, by regulation, a system for
15 an inactive category of licensure for persons who are not actively
16 engaged in the practice of their profession or vocation.

17 (b) ~~The regulation shall contain the following provisions:~~

18 (1) ~~The holder of an inactive license issued pursuant to this~~
19 section shall not engage in any activity for which a license is
20 required.

21 (2) ~~An inactive license issued pursuant to this section shall be~~
22 renewed during the same time period in which an active license
23 is renewed. The holder of an inactive license need not comply with
24 any continuing education requirement for renewal of an active
25 license.

1 (3) ~~¶~~The renewal fee for a license in an active status shall apply
 2 also for a renewal of a license in an inactive status, unless a lesser
 3 renewal fee is specified by the board. *status shall be no more than*
 4 *50 percent of the renewal fee for a license in an active status.*

5 (4) ~~¶~~In order for the holder of an inactive license issued pursuant
 6 to this section to restore ~~his or her~~ *the* license to an active status,
 7 the holder of an inactive license shall comply with all the
 8 following:

9 (A) ~~¶~~Pay the renewal fee.

10 (B) ~~¶~~If the board requires completion of continuing education
 11 for renewal of an active license, complete continuing education
 12 equivalent to that required for renewal of an active license, unless
 13 a different requirement is specified by the board.

14 (c) ~~¶~~This section shall not apply to any healing arts board as
 15 specified in Section 701.

16 *SEC. 3. Section 703 of the Business and Professions Code is*
 17 *amended to read:*

18 703. (a) ~~¶~~An inactive healing arts license or certificate issued
 19 pursuant to this article shall be renewed during the same time
 20 period at which an active license or certificate is renewed. In order
 21 to renew a license or certificate issued pursuant to this article, the
 22 holder thereof need not comply with any continuing education
 23 requirement for renewal of an active license or certificate.

24 (b) ~~¶~~~~The~~ *Notwithstanding any other law, the* renewal fee for a
 25 license or certificate in an ~~active~~ *inactive* status shall ~~apply also~~
 26 ~~for renewal of a license or certificate in an inactive status, unless~~
 27 ~~a lower fee has been established by the issuing board.~~ *be no more*
 28 *than 50 percent of the renewal fee for a license in an active status.*

29 *SEC. 4. Section 1006.5 of the Business and Professions Code*
 30 *is amended to read:*

31 1006.5. Notwithstanding any other law, the amount of
 32 regulatory fees necessary to carry out the responsibilities required
 33 by the Chiropractic Initiative Act and this chapter are fi ed in the
 34 following schedule:

35 (a) ~~¶~~Fee to apply for a license to practice chiropractic: three
 36 hundred seventy-one dollars (\$371).

37 (b) ~~¶~~Fee for initial license to practice chiropractic: one hundred
 38 eighty-six dollars (\$186).

39 (c) ~~¶~~Fee to renew an active ~~or inactive~~ license to practice
 40 chiropractic: three hundred thirteen dollars (\$313).

- 1 (d) Fee to renew an inactive license to practice chiropractic:
- 2 no more than 50 percent of the renewal fee for an active license.
- 3 ~~(d)~~
- 4 (e) Fee to apply for approval as a continuing education provider:
- 5 eighty-four dollars (\$84).
- 6 ~~(e)~~
- 7 (f) Biennial continuing education provider renewal fee: fifty-six
- 8 dollars (\$56).
- 9 ~~(f)~~
- 10 (g) Fee to apply for approval of a continuing education course:
- 11 fifty-six dollars (\$56) per course.
- 12 ~~(g)~~
- 13 (h) Fee to apply for a satellite office certificate: sixty-two dollars
- 14 (\$62).
- 15 ~~(h)~~
- 16 (i) Fee to renew a satellite office certificate: thirty-one dollars
- 17 (\$31).
- 18 ~~(i)~~
- 19 (j) Fee to apply for a license to practice chiropractic pursuant
- 20 to Section 9 of the Chiropractic Initiative Act: three hundred
- 21 seventy-one dollars (\$371).
- 22 ~~(j)~~
- 23 (k) Fee to apply for a certificate of registration of a chiropractic
- 24 corporation: one hundred eighty-six dollars (\$186).
- 25 ~~(k)~~
- 26 (l) Fee to renew a certificate of registration of a chiropractic
- 27 corporation: thirty-one dollars (\$31).
- 28 ~~(l)~~
- 29 (m) Fee to file a chiropractic corporation special report:
- 30 thirty-one dollars (\$31).
- 31 ~~(m)~~
- 32 (n) Fee to apply for approval as a referral service: five hundred
- 33 fifty-seven dollars (\$557).
- 34 ~~(n)~~
- 35 (o) Fee for an endorsed verification of licensure: one hundred
- 36 twenty-four dollars (\$124).
- 37 ~~(o)~~
- 38 (p) Fee for replacement of a lost or destroyed license: fifty
- 39 dollars (\$50).
- 40 ~~(p)~~

1 (q) Fee for replacement of a satellite office certificate: fifty
2 dollars (\$50).

3 ~~(q)~~

4 (r) Fee for replacement of a certificate of registration of a
5 chiropractic corporation: fifty dollars (\$50).

6 ~~(r)~~

7 (s) Fee to restore a forfeited or canceled license to practice
8 chiropractic: double the annual renewal fee specified in subdivision
9 (c).

10 ~~(s)~~

11 (t) Fee to apply for approval to serve as a preceptor: thirty-one
12 dollars (\$31).

13 ~~(t)~~

14 (u) Fee to petition for reinstatement of a revoked license: three
15 hundred seventy-one dollars (\$371).

16 ~~(u)~~

17 (v) Fee to petition for early termination of probation: three
18 hundred seventy-one dollars (\$371).

19 ~~(v)~~

20 (w) Fee to petition for reduction of penalty: three hundred
21 seventy-one dollars (\$371).

22 *SEC. 5. Section 1718 of the Business and Professions Code is*
23 *amended to read:*

24 1718. Except as otherwise provided in this chapter, an expired
25 license may be renewed at any time within fi e years after its
26 expiration on filing of application for renewal on a form prescribed
27 by the board, and payment of ~~all accrued~~ *the* renewal and
28 delinquency fees. If the license is renewed more than 30 days after
29 its expiration, the licensee, as a condition precedent to renewal,
30 shall also pay the delinquency fee prescribed by this chapter.
31 Renewal under this section shall be effective on the date on which
32 the application is filed, on the date on which the renewal fee is
33 paid, or on the date on which the delinquency fee, if any, is paid,
34 whichever last occurs. If so renewed, the license shall continue in
35 effect through the expiration date provided in Section 1715 which
36 next occurs after the effective date of the renewal, when it shall
37 expire if it is not again renewed.

38 *SEC. 6. Section 1718.3 of the Business and Professions Code*
39 *is amended to read:*

1 1718.3. (a) A license which is not renewed within five years
 2 after its expiration may not be renewed, restored, reinstated, or
 3 reissued thereafter, but the holder of the license may apply for and
 4 obtain a new license if the following requirements are satisfied:

5 (1) No fact, circumstance, or condition exists which would
 6 justify denial of licensure under Section 480.

7 (2) ~~He or she~~ *The person* pays all of the fees which would be
 8 required of him or her if he or she if *the person* were then applying
 9 for the license for the first time and all the renewal and delinquency
 10 fees which have accrued since the date on which he or she last
 11 renewed his or her license. *fees.*

12 (3) ~~He or she~~ *The person* takes and passes the examination, if
 13 any, which would be required of him or her if he or she if *the*
 14 *person* were then applying for the license for the first time, or
 15 otherwise establishes to the satisfaction of the board that with due
 16 regard for the public interest, ~~he or she~~ *the person* is qualified to
 17 practice the profession or activity in which ~~he or she~~ *again the*
 18 *person* seeks to be licensed.

19 (b) The board may impose conditions on any license issued
 20 pursuant to this section, as it deems necessary.

21 (c) The board may by regulation provide for the waiver or refund
 22 of all or any part of the examination fee in those cases in which a
 23 license is issued without an examination under this section.

24 *SEC. 7. Section 1936 of the Business and Professions Code is*
 25 *amended to read:*

26 1936. Except as otherwise provided in this article, an expired
 27 license may be renewed at any time within five years after its
 28 expiration by filing an application for renewal on a form prescribed
 29 by the hygiene board and payment of ~~all accrued~~ *the* renewal and
 30 delinquency fees. If the license is renewed after its expiration, the
 31 licensee, as a condition precedent of renewal, shall also pay the
 32 delinquency fee prescribed by this article. Renewal under this
 33 section shall be effective on the date on which the application is
 34 filed, on the date on which the renewal fee is paid, or on the date
 35 on which the delinquency fee, if any, is paid, whichever last occurs.
 36 If so renewed, the license shall continue in effect until the
 37 expiration date provided in Section 1935 that next occurs after the
 38 effective date of the renewal.

39 *SEC. 8. Section 2427 of the Business and Professions Code is*
 40 *amended to read:*

1 2427. (a) Except as provided in Section 2429, a license which
 2 has expired may be renewed at any time within five years after its
 3 expiration on filing an application for renewal on a form prescribed
 4 by the licensing authority and payment of ~~all accrued~~ *the* renewal
 5 ~~fees~~ *fee* and any other fees required by Section 2424. If the license
 6 is not renewed within 30 days after its expiration, the licensee, as
 7 a condition precedent to renewal, shall also pay the prescribed
 8 delinquency fee, if any. Except as provided in Section 2424,
 9 renewal under this section shall be effective on the date on which
 10 the renewal application is filed, on the date on which the renewal
 11 ~~fee or accrued renewal fees are~~ *is* paid, or on the date on which
 12 the delinquency fee or the delinquency fee and penalty fee, if any,
 13 are paid, whichever last occurs. If so renewed, the license shall
 14 continue in effect through the expiration date set forth in Section
 15 2422 or 2423 which next occurs after the effective date of the
 16 renewal, when it shall expire and become invalid if it is not again
 17 renewed.

18 (b) Notwithstanding subdivision (a), the license of a doctor of
 19 podiatric medicine which has expired may be renewed at any time
 20 within three years after its expiration on filing an application for
 21 renewal on a form prescribed by the licensing authority and
 22 payment of ~~all accrued~~ *the* renewal ~~fees~~ *fee* and any other fees
 23 required by Section 2424. If the license is not renewed within 30
 24 days after its expiration, the licensee, as a condition precedent to
 25 renewal, shall also pay the prescribed delinquency fee, if any.
 26 Except as provided in Section 2424, renewal under this section
 27 shall be effective on the date on which the renewal application is
 28 filed, on the date on which the renewal ~~fee or accrued renewal fees~~
 29 ~~are~~ *is* paid, or on the date on which the delinquency fee or the
 30 delinquency fee and penalty fee, if any, are paid, whichever last
 31 occurs. If so renewed, the license shall continue in effect through
 32 the expiration date set forth in Section 2422 or 2423 which next
 33 occurs after the effective date of the renewal, when it shall expire
 34 and become invalid if it is not again renewed.

35 *SEC. 9. Section 2456.3 of the Business and Professions Code*
 36 *is amended to read:*

37 2456.3. Except as provided in Section 2429, a license which
 38 has expired may be renewed at any time within five years after its
 39 expiration by filing an application for renewal on a form prescribed
 40 by the board and payment of ~~all accrued~~ *the* renewal ~~fees~~ *fee* and

1 any other fees required by Section 2455. Except as provided in
 2 Section 2456.2, renewal under this section shall be effective on
 3 the date on which the renewal application is filed, on the date on
 4 which the renewal fee ~~or accrued renewal fees are~~ *is* paid, or on
 5 the date on which the delinquency fee or the delinquency fee and
 6 penalty fee, if any, are paid, whichever last occurs. If so renewed,
 7 the license shall continue in effect through the expiration date set
 8 forth in Section 2456.1 which next occurs after the effective date
 9 of the renewal.

10 *SEC. 10. Section 2535.2 of the Business and Professions Code*
 11 *is amended to read:*

12 2535.2. Except as provided in Section 2535.3, a license that
 13 has expired may be renewed at any time within fi e years after its
 14 expiration upon filing of an application for renewal on a form
 15 prescribed by the board and payment of ~~all accrued and unpaid~~
 16 ~~renewal fees.~~ *the renewal fee.* If the license is not renewed on or
 17 before its expiration, the licensee, as a condition precedent to
 18 renewal, shall also pay the prescribed delinquency fee. Renewal
 19 under this section shall be effective on the date on which the
 20 application is filed, on the date on which ~~all the renewal fees are~~
 21 *fee is* paid, or on the date on which the delinquency fee is paid,
 22 whichever last occurs. If so renewed, the license shall continue in
 23 effect through the expiration date provided in Section 2535, after
 24 the effective date of the renewal, when it shall expire and become
 25 invalid if it is not again renewed.

26 *SEC. 11. Section 2538.54 of the Business and Professions Code*
 27 *is amended to read:*

28 2538.54. Except as otherwise provided in this article, an expired
 29 license may be renewed at any time within three years after its
 30 expiration on filing of an application for renewal on a form
 31 prescribed by the board, and payment of ~~all accrued and unpaid~~
 32 ~~renewal fees.~~ *the renewal fee.* If the license is renewed after its
 33 expiration the licensee, as a condition precedent to renewal, shall
 34 also pay the delinquency fee prescribed by this article. Renewal
 35 under this section shall be effective on the date on which the
 36 application is filed, on the date on which the renewal fee is paid,
 37 or on the date on which the delinquency fee, if any, is paid,
 38 whichever last occurs. If so renewed, the license shall continue in
 39 effect through the date provided in Section 2538.53 which next

1 occurs after the effective date of the renewal, when it shall expire
2 if it is not again renewed.

3 *SEC. 12. Section 2646 of the Business and Professions Code*
4 *is amended to read:*

5 2646. A license that has expired may be renewed at any time
6 within fi e years after its expiration by applying for renewal as
7 set forth in Section 2644. Renewal under this section shall be
8 effective on the date on which the renewal application is filed, on
9 the date on which the renewal fee ~~or accrued renewal fees are~~ *is*
10 paid, or on the date on which the delinquency fee and penalty fee,
11 if any, are paid, whichever last occurs. A renewed license shall
12 continue in effect through the expiration date set forth in Section
13 2644 that next occurs after the effective date of the renewal, at
14 which time it shall expire and become invalid if it is not so
15 renewed.

16 *SEC. 13. Section 2734 of the Business and Professions Code*
17 *is amended to read:*

18 2734. Upon application in writing to the board and payment
19 of ~~the a fee not to exceed 50 percent of the~~ biennial renewal fee,
20 a licensee may have ~~his~~ *their* license placed in an inactive status
21 for an indefinite period of time. A licensee whose license is in an
22 inactive status may not practice nursing. However, such a licensee
23 does not have to comply with the continuing education standards
24 of Section 2811.5.

25 *SEC. 14. Section 2892.1 of the Business and Professions Code*
26 *is amended to read:*

27 2892.1. Except as provided in Sections 2892.3 and 2892.5, an
28 expired license may be renewed at any time within four years after
29 its expiration upon filing of an application for renewal on a form
30 prescribed by the board, payment of ~~all accrued and unpaid renewal~~
31 ~~fees,~~ *the renewal fee,* and payment of any fees due pursuant to
32 Section 2895.1.

33 If the license is renewed more than 30 days after its expiration,
34 the licensee, as a condition precedent to renewal, shall also pay
35 the delinquency fee prescribed by this chapter. Renewal under this
36 section shall be effective on the date on which the application is
37 filed, on the date on which ~~all the renewal fees are~~ *fee is* paid, or
38 on the date on which the delinquency fee is paid, whichever last
39 occurs. If so renewed, the license shall continue in effect through
40 the date provided in Section 2892 which next occurs after the

1 effective date of the renewal, when it shall expire if it is not again
 2 renewed.

3 *SEC. 15. Section 2984 of the Business and Professions Code*
 4 *is amended to read:*

5 2984. Except as provided in Section 2985, a license that has
 6 expired may be renewed at any time within three years after its
 7 expiration on filing of an application for renewal on a form
 8 prescribed by the board and payment of ~~all accrued and unpaid~~
 9 ~~the renewal fees.~~ *fee*. If the license is renewed after its expiration,
 10 the licensee, as a condition precedent to renewal, shall also pay
 11 the prescribed delinquency fee, if any. Renewal under this section
 12 shall be effective on the date on which the application is filed, on
 13 the date on which ~~all the renewal fees are~~ *fee is* paid, or on the date
 14 on which the delinquency fee, if any, is paid, whichever last occurs.
 15 If so renewed, the license shall continue in effect through the
 16 expiration date provided in Section 2982 which next occurs after
 17 the effective date of the renewal, when it shall expire and become
 18 invalid if it is not again renewed.

19 *SEC. 16. Section 3147 of the Business and Professions Code*
 20 *is amended to read:*

21 3147. (a) ~~Except~~ as otherwise provided by Section 114, an
 22 expired optometrist license may be renewed at any time within
 23 three years after its expiration, and a retired license issued for less
 24 than three years may be reactivated to active status, by filing an
 25 application for renewal or reactivation on a form prescribed by the
 26 board, paying ~~all accrued and unpaid the renewal fees~~ *fee* or
 27 ~~reactivation fees~~ *fee* determined by the board, paying any
 28 delinquency fees prescribed by the board, and submitting proof of
 29 completion of the required number of hours of continuing education
 30 for the last two years, as prescribed by the board pursuant to
 31 Section 3059. Renewal or reactivation to active status under this
 32 section shall be effective on the date on which all of those
 33 requirements are satisfied. If so renewed or reactivated to active
 34 status, the license shall continue as provided in Sections 3146 and
 35 3147.5.

36 (b) ~~Expired statements of licensure, branch office licenses, and~~
 37 ~~fictitious name permits issued pursuant to Sections 3070, 3077,~~
 38 ~~and 3078, respectively, may be renewed at any time by filing an~~
 39 ~~application for renewal, paying all accrued and unpaid renewal~~

1 ~~fees, the renewal fee~~, and paying any delinquency fees prescribed
2 by the board.

3 *SEC. 17. Section 3147.7 of the Business and Professions Code*
4 *is amended to read:*

5 3147.7. The provisions of Section 3147.6 shall not apply to a
6 person holding a license that has not been renewed within three
7 years of expiration, if the person provides satisfactory proof that
8 ~~he or she~~ *the person* holds an active license from another state and
9 meets all of the following conditions:

- 10 (a) ~~Is~~ not subject to denial of a license under Section 480.
- 11 (b) ~~Applies~~ in writing for restoration of the license on a form
12 prescribed by the board.
- 13 (c) ~~Pays all accrued and unpaid the renewal fees fee~~ and any
14 delinquency fees prescribed by the board.
- 15 (d) ~~Submits~~ proof of completion of the required number of hours
16 of continuing education for the last two years.
- 17 (e) ~~Takes~~ and satisfactorily passes the board’s jurisprudence
18 examination.

19 *SEC. 18. Section 3524 of the Business and Professions Code*
20 *is amended to read:*

21 3524. A license or approval that has expired may be renewed
22 at any time within fi e years after its expiration by filing an
23 application for renewal on a form prescribed by the board or
24 Medical Board of California, as the case may be, and payment of
25 ~~all accrued and unpaid renewal fees.~~ *the renewal fee*. If the license
26 or approval is not renewed within 30 days after its expiration, the
27 licensed physician assistant and approved supervising physician,
28 as a condition precedent to renewal, shall also pay the prescribed
29 delinquency fee, if any. Renewal under this section shall be
30 effective on the date on which the application is filed, on the date
31 on which ~~all the renewal fees are fee is~~ paid, or on the date on
32 which the delinquency fee, if any, is paid, whichever occurs last.
33 If so renewed, the license shall continue in effect through the
34 expiration date provided in Section 3522 or 3523 which next occurs
35 after the effective date of the renewal, when it shall expire, if it is
36 not again renewed.

37 *SEC. 19. Section 3774 of the Business and Professions Code*
38 *is amended to read:*

39 3774. On or before the birthday of a licensed practitioner in
40 every other year, following the initial licensure, the board shall

1 mail to each practitioner licensed under this chapter, at the latest
2 address furnished by the licensed practitioner to the executive
3 officer of the board, a notice stating the amount of the renewal fee
4 and the date on which it is due. The notice shall state that failure
5 to pay the renewal fee on or before the due date and submit
6 evidence of compliance with Sections 3719 and 3773 shall result
7 in expiration of the license.

8 Each license not renewed in accordance with this section shall
9 expire but may within a period of three years thereafter be
10 reinstated upon payment of ~~all accrued and unpaid~~ *the* renewal
11 fees and penalty fees required by this chapter. The board may also
12 require submission of proof of the applicant's qualifications, except
13 that during the three-year period no examination shall be required
14 as a condition for the reinstatement of any expired license that has
15 lapsed solely by reason of nonpayment of the renewal fee.

16 *SEC. 20. Section 3775.5 of the Business and Professions Code*
17 *is amended to read:*

18 3775.5. The fee for an inactive license shall be ~~the same as no~~
19 *more than 50 percent of the renewal fee for an active license for*
20 *the practice of respiratory care as specified in Section 3775.*

21 *SEC. 21. Section 4545 of the Business and Professions Code*
22 *is amended to read:*

23 4545. Except as provided in Section 4545.2, a license that has
24 expired may be renewed at any time within four years after its
25 expiration on filing an application for renewal on a form prescribed
26 by the board, payment of ~~all accrued and unpaid renewal fees, the~~ *the*
27 *renewal fee*, and payment of all fees required by this chapter. If
28 the license is renewed more than 30 days after its expiration, the
29 holder, as a condition precedent to renewal, shall also pay the
30 delinquency fee prescribed by this chapter. Renewal under this
31 section shall be effective on the date on which the application is
32 filed, on the date on which the renewal fee is paid, or on the date
33 on which the delinquency fee, if any, is paid, whichever last occurs.
34 If so renewed, the license shall continue in effect through the date
35 provided in Section 4544 which next occurs after the effective date
36 of the renewal, when it shall expire if it is not again renewed.

37 A certificate which was forfeited for failure to renew under the
38 law in effect before October 1, 1961, shall, for the purposes of this
39 article, be considered to have expired on the date that it became
40 forfeited.

1 *SEC. 22. Section 4843.5 of the Business and Professions Code*
2 *is amended to read:*

3 4843.5. Except as otherwise provided in this article, an expired
4 certificate of registration may be renewed at any time within fi e
5 years after its expiration on filing of an application for renewal on
6 a form prescribed by the board, and payment of ~~all accrued and~~
7 ~~unpaid renewal fees.~~ *the renewal fee.* If the certificate of
8 registration is renewed more than 30 days after its expiration, the
9 registrant, as a condition precedent to renewal, shall also pay the
10 delinquency fee prescribed by this article. Renewal under this
11 section shall be effective on the date on which the application is
12 filed, on the date ~~all the renewal fees are~~ *fee is* paid, or on the date
13 on which the delinquency fee, if any, is paid, whichever occurs
14 last.

15 *SEC. 23. Section 4901 of the Business and Professions Code*
16 *is amended to read:*

17 4901. Except as otherwise provided in this chapter, an expired
18 license or registration may be renewed at any time within fi e
19 years after its expiration on filing of an application for renewal on
20 a form prescribed by the board, and payment of ~~all accrued and~~
21 ~~unpaid renewal fees.~~ *the renewal fee.* If the license or registration
22 is renewed more than 30 days after its expiration, the licensee or
23 registrant, as a condition precedent to renewal, shall also pay the
24 delinquency fee prescribed by this chapter. Renewal under this
25 section shall be effective on the date on which the application is
26 filed, on the date on which ~~all renewal fees are~~ *the renewal fee is*
27 paid, or on the date on which the delinquency fee, if any, is paid,
28 whichever last occurs. If so renewed, the license or registration
29 shall continue in effect through the expiration date provided in
30 Section 4900 that next occurs after the effective date of the renewal,
31 when it shall expire if it is not again renewed.

32 *SEC. 24. Section 4966 of the Business and Professions Code*
33 *is amended to read:*

34 4966. Except as provided in Section 4969, a license that has
35 expired may be renewed at any time within three years after its
36 expiration by filing of an application for renewal on a form
37 provided by the board, paying ~~all accrued and unpaid renewal fees,~~
38 *the renewal fee,* and providing proof of completing continuing
39 education requirements. If the license is not renewed prior to its
40 expiration, the acupuncturist, as a condition precedent to renewal,

1 shall also pay the prescribed delinquency fee. Renewal under this
 2 section shall be effective on the date on which the application is
 3 filed, on the date on which the renewal fee is paid, or on the date
 4 the delinquency fee is paid, whichever occurs last. If so renewed,
 5 the license shall continue in effect through the expiration date
 6 provided in Section 4965, after the effective date of the renewal,
 7 when it shall expire and become invalid if it is not again renewed.

8 *SEC. 25. Section 4989.36 of the Business and Professions Code*
 9 *is amended to read:*

10 4989.36. A licensee may renew a license that has expired at
 11 any time within three years after its expiration date by taking all
 12 of the actions described in Section 4989.32 and by paying ~~all~~
 13 ~~unpaid prior renewal fees and delinquency fees.~~ *the delinquency*
 14 *fee.*

15 *SEC. 26. Section 4999.104 of the Business and Professions*
 16 *Code is amended to read:*

17 4999.104. Licenses issued under this chapter that have expired
 18 may be renewed at any time within three years of expiration. To
 19 renew an expired license described in this section, the licensee
 20 shall do all of the following:

21 (a) ~~File~~ an application for renewal on a form prescribed by the
 22 board.

23 ~~(b) Pay all fees that would have been paid if the license had not~~
 24 ~~become delinquent.~~

25 ~~(c)~~

26 ~~(b) Pay all the delinquency fees.~~ *fee.*

27 ~~(d)~~

28 ~~(c) Certify~~ compliance with the continuing education
 29 requirements set forth in Section 4999.76.

30 ~~(e)~~

31 ~~(d) Notify~~ the board whether ~~he or she~~ *the licensee* has been
 32 convicted, as defined in Section 490, of a misdemeanor or felony,
 33 or whether any disciplinary action has been taken by any regulatory
 34 or licensing board in this or any other state, subsequent to the
 35 licensee's last renewal.

36 *SEC. 27. Section 5070.6 of the Business and Professions Code*
 37 *is amended to read:*

38 5070.6. Except as otherwise provided in this chapter, an expired
 39 permit may be renewed at any time within fi e years after its
 40 expiration upon the filing of an application for renewal on a form

1 prescribed by the board, payment of ~~all accrued and unpaid renewal~~
2 ~~fees~~ *the renewal fee*, and providing evidence satisfactory to the
3 board of compliance as required by Section 5070.5. If the permit
4 is renewed after its expiration, its holder, as a condition precedent
5 to renewal, shall also pay the delinquency fee prescribed by this
6 chapter. Renewal under this section shall be effective on the date
7 on which the application is filed, on the date on which the ~~accrued~~
8 ~~renewal fees are~~ *fee is* paid, or on the date on which the
9 delinquency fee, if any, is paid, whichever last occurs. If so
10 renewed, the permit shall continue in effect through the date
11 provided in Section 5070.5 that next occurs after the effective date
12 of the renewal, when it shall expire if it is not again renewed.

13 *SEC. 28. Section 5600.2 of the Business and Professions Code*
14 *is amended to read:*

15 5600.2. Except as otherwise provided in this chapter, a license
16 which has expired may be renewed at any time within five years
17 after its expiration on filing of application for renewal on a form
18 prescribed by the board, and payment of ~~all accrued and unpaid~~
19 ~~renewal fees.~~ *the renewal fee*. If a license is renewed more than
20 30 days after its expiration, the licenseholder, as a condition
21 precedent to renewal, shall also pay the delinquency fee prescribed
22 by this chapter. Renewal under this section shall be effective on
23 the date on which the application is filed, on the date on which the
24 renewal fee is paid, or on the date on which the delinquency fee,
25 if any, is paid, whichever last occurs. If so renewed, the license
26 shall continue in effect through the expiration date provided in this
27 chapter which next occurs after the effective date of the renewal,
28 when it shall expire if it is not again renewed.

29 *SEC. 29. Section 5680.1 of the Business and Professions Code*
30 *is amended to read:*

31 5680.1. Except as otherwise provided in this chapter, a license
32 that has expired may be renewed at any time within five years after
33 its expiration on filing of an application for renewal on a form
34 prescribed by the board, and payment of ~~all accrued and unpaid~~
35 ~~renewal fees.~~ *the renewal fee*. If the license is renewed more than
36 30 days after its expiration, the licenseholder, as a condition
37 precedent to renewal, shall also pay the delinquency fee prescribed
38 by this chapter. Renewal under this section shall be effective on
39 the date on which the application is filed, on the date on which ~~all~~
40 ~~the renewal fees are~~ *fee is* paid, or on the date on which the

1 delinquency fee, if any, is paid, whichever last occurs. If so
 2 renewed, the license shall continue in effect through the date
 3 provided in Section 5680 that next occurs after the effective date
 4 of the renewal, when it shall expire if it is not again renewed.

5 *SEC. 30. Section 6796 of the Business and Professions Code*
 6 *is amended to read:*

7 6796. Except as otherwise provided in this article, certificates
 8 of registration as a professional engineer and certificates of
 9 authority may be renewed at any time within fi e years after
 10 expiration on filing of application for renewal on a form prescribed
 11 by the board and payment of ~~all accrued and unpaid renewal fees.~~
 12 *the renewal fee.* If the certificate is renewed more than 60 days
 13 after its expiration, the certificate holder, as a condition precedent
 14 to renewal, shall also pay the delinquency fee prescribed by this
 15 chapter. Renewal under this section shall be effective on the date
 16 on which the application is filed, on the date on which the renewal
 17 fee is paid, or on the date on which the delinquency fee, if any, is
 18 paid, whichever last occurs.

19 The expiration date of a certificate renewed pursuant to this
 20 section shall be determined pursuant to Section 6795.

21 *SEC. 31. Section 6980.28 of the Business and Professions Code*
 22 *is amended to read:*

23 6980.28. A locksmith license not renewed within three years
 24 following its expiration may not be renewed thereafter. Renewal
 25 of the license within three years, or issuance of an original license
 26 thereafter, shall be subject to payment of any ~~and all fine fin~~
 27 assessed by the chief or the director ~~which are~~ *that is* not pending
 28 appeal and all other applicable fees.

29 *SEC. 32. Section 7076.5 of the Business and Professions Code*
 30 *is amended to read:*

31 7076.5. (a) ~~□~~A contractor may inactivate ~~his or her~~ *their* license
 32 by submitting a form prescribed by the registrar accompanied by
 33 the current active license certificate. When the current license
 34 certificate has been lost, the licensee shall pay the fee prescribed
 35 by law to replace the license certificate. Upon receipt of an
 36 acceptable application to inactivate, the registrar shall issue an
 37 inactive license certificate to the contractor. The holder of an
 38 inactive license shall not be entitled to practice as a contractor until
 39 ~~his or her~~ *their* license is reactivated.

1 (b) Any licensed contractor who is not engaged in work or
2 activities which require a contractor’s license may apply for an
3 inactive license.

4 (c) Inactive licenses shall be valid for a period of four years
5 from their due date.

6 (d) During the period that an existing license is inactive, no
7 bonding requirement pursuant to Section 7071.6, 7071.8 or 7071.9
8 or qualifier requirement pursuant to Section 7068 shall apply. An
9 applicant for license having met the qualifications for issuance
10 may request that the license be issued inactive unless the applicant
11 is subject to the provisions of Section 7071.8.

12 (e) The board shall not refund any of the renewal fee which a
13 licensee may have paid prior to the inactivation of ~~his or her~~ *the*
14 license.

15 (f) An inactive license shall be renewed on each established
16 renewal date by submitting the renewal application and paying the
17 inactive renewal fee.

18 (g) An inactive license may be reactivated by submitting an
19 application acceptable to the registrar, by paying ~~the full~~ *a fee no*
20 *more than 50 percent of the* renewal fee for an active ~~license~~
21 *license*, and by fulfilling all other requirements of this chapter. No
22 examination shall be required to reactivate an inactive license.

23 (h) The inactive status of a license shall not bar any disciplinary
24 action by the board against a licensee for any of the causes stated
25 in this chapter.

26 *SEC. 33. Section 7417 of the Business and Professions Code*
27 *is amended to read:*

28 7417. Except as otherwise provided in this article, a license
29 that has expired for failure of the licensee to renew within the time
30 fi ed by this article may be renewed at any time within fi e years
31 following its expiration upon application and payment of ~~all~~
32 ~~accrued and unpaid~~ *the* renewal ~~fees~~ and delinquency fees. If the
33 license is renewed after its expiration, the licensee, as a condition
34 precedent to renewal, shall also pay the delinquency fee and meet
35 current continuing education requirements, if applicable, prescribed
36 by this chapter. Renewal under this section shall be effective on
37 the date on which the application is filed, or on the date on which
38 the ~~accrued~~ renewal ~~fees~~ *are* *fee is* paid, or on the date on which
39 the delinquency fee, if any, is paid, whichever occurs last. If so
40 renewed, the license shall continue in effect through the expiration

1 date provided in this article which next occurs following the
2 effective date of the renewal, when it shall expire if it is not again
3 renewed.

4 *SEC. 34. Section 7672.8 of the Business and Professions Code*
5 *is amended to read:*

6 7672.8. All cremated remains disposer registrations shall expire
7 at midnight on September 30 of each year. A person desiring to
8 renew ~~his or her~~ *their* registration shall file an application for
9 renewal on a form prescribed by the bureau accompanied by the
10 required fee. A registration that has expired may be renewed within
11 fi e years of its expiration upon payment of ~~all accrued and unpaid~~
12 ~~renewal fees.~~ *the renewal fee.* The bureau shall not renew the
13 registration of any person who has not filed the required annual
14 report until ~~he or she~~ *the person* has filed a complete annual report
15 with the department.

16 *SEC. 35. Section 7725.2 of the Business and Professions Code*
17 *is amended to read:*

18 7725.2. Except as otherwise provided in this chapter, a license
19 that has expired may be renewed at any time within fi e years after
20 its expiration on filing of an application for renewal on a form
21 prescribed by the bureau and payment of ~~all accrued and unpaid~~
22 ~~renewal fees.~~ *the renewal fee.* If the license is not renewed within
23 30 days after its expiration the licensee, as a condition precedent
24 to renewal, shall also pay the delinquency fee prescribed by this
25 chapter. Renewal under this section shall be effective on the date
26 on which the application is filed, on the date on which ~~all the~~
27 ~~renewal fees are~~ *fee is* paid, or on the date on which the
28 delinquency fee, if any, is paid, whichever last occurs. If so
29 renewed, the license shall continue in effect through the date
30 provided in Section 7725 that next occurs after the effective date
31 of the renewal, when it shall expire if it is not again renewed.

32 If a license is not renewed within one year following its
33 expiration, the bureau may require as a condition of renewal that
34 the holder of the license pass an examination on the appropriate
35 subjects provided by this chapter.

36 *SEC. 36. Section 7729.1 of the Business and Professions Code*
37 *is amended to read:*

38 7729.1. The amount of fees prescribed for a license or
39 certificate of authority under this act is that fi ed by the following
40 provisions of this article. Any license or certificate of authority

1 provided under this act that has expired may be renewed within
2 fi e years of its expiration upon payment of ~~all accrued and unpaid~~
3 ~~renewal and regulatory fees.~~ *the renewal fee.*

4 *SEC. 37. Section 7881 of the Business and Professions Code*
5 *is amended to read:*

6 7881. Except as otherwise provided in this article, certificates
7 of registration as a geologist or as a geophysicist, or certified
8 specialty certificates, may be renewed at any time within fi e years
9 after expiration on filing an application for renewal on a form
10 prescribed by the board and payment of ~~all accrued and unpaid~~
11 ~~renewal fees.~~ *the renewal fee.* If the certificate is renewed more
12 than 30 days after its expiration, the certificate holder, as a
13 condition precedent to renewal, shall also pay the delinquency fee
14 prescribed by this chapter. Renewal under this section shall be
15 effective on the date on which the application is filed, on the date
16 on which ~~all the renewal fees are~~ *fee is* paid, or on the date on
17 which the delinquency fee, if any, is paid, whichever last occurs.
18 If so renewed, the certificate shall continue in effect through the
19 date provided in Section 7880 that next occurs after the effective
20 date of the renewal, when it shall expire if it is not again renewed.

21 *SEC. 38. Section 7883 of the Business and Professions Code*
22 *is amended to read:*

23 7883. A revoked certificate is subject to expiration as provided
24 in this article, but it may not be renewed. If it is reinstated after its
25 expiration, the holder of the certificate, as a condition precedent
26 to its reinstatement, shall pay a reinstatement fee in an amount
27 equal to the renewal fee in effect on the last regular date before
28 the date on which it is ~~reinstated,~~ ~~plus all accrued and unpaid~~
29 ~~renewal fees~~ *reinstated* and the delinquency fee, if any, accrued
30 at the time of its revocation.

31 *SEC. 39. Section 8024.7 of the Business and Professions Code*
32 *is amended to read:*

33 8024.7. The board shall establish an inactive category of
34 licensure for persons who are not actively engaged in the practice
35 of shorthand reporting.

36 (a) ~~□~~The holder of an inactive license issued pursuant to this
37 section shall not engage in any activity for which a license is
38 required.

39 (b) ~~□~~An inactive license issued pursuant to this section shall be
40 renewed during the same time period in which an active license

1 is renewed. The holder of an inactive license is exempt from any
 2 continuing education requirement for renewal of an active license.

3 (c) ~~¶~~The renewal fee for a license in an active status shall apply
 4 also for a renewal of a license in an inactive status, unless a lesser
 5 renewal fee is specified by the board. *be no more than 50 percent*
 6 *of the renewal fee for a license in an active status.*

7 (d) ~~¶~~In order for the holder of an inactive license issued pursuant
 8 to this section to restore ~~his or her~~ *their* license to an active status,
 9 the holder of an inactive license shall comply with both of the
 10 following:

11 (1) ~~¶~~Pay the renewal fee.

12 (2) ~~¶~~If the board requires completion of continuing education for
 13 renewal of an active license, complete continuing education
 14 equivalent to that required for renewal of an active license, unless
 15 a different requirement is specified by the board.

16 *SEC. 40. Section 8802 of the Business and Professions Code*
 17 *is amended to read:*

18 8802. Except as otherwise provided in this article, licenses
 19 issued under this chapter may be renewed at any time within fi e
 20 years after expiration on filing of application for renewal on a form
 21 prescribed by the board and payment of ~~all accrued and unpaid~~
 22 ~~renewal fees.~~ *the renewal fee.* If the license is renewed more than
 23 30 days after its expiration, the licensee, as a condition precedent
 24 to renewal, shall also pay the delinquency fee prescribed by this
 25 chapter. Renewal under this section shall be effective on the date
 26 on which the application is filed, on the date on which the renewal
 27 fee is paid, or on the date on which the delinquency fee, if any, is
 28 paid, whichever last occurs. If so renewed, the license shall
 29 continue in effect through the date provided in Section 8801 which
 30 next occurs after the effective date of the renewal, when it shall
 31 expire if it is not again renewed.

32 *SEC. 41. Section 9832 of the Business and Professions Code*
 33 *is amended to read:*

34 9832. (a) ~~¶~~Registrations issued under this chapter shall expire
 35 no more than 12 months after the issue date. The expiration date
 36 of registrations shall be set by the director in a manner to best
 37 distribute renewal procedures throughout the year.

38 (b) ~~¶~~To renew an unexpired registration, the service dealer shall,
 39 on or before the expiration date of the registration, apply for

1 renewal on a form prescribed by the director, and pay the renewal
2 fee prescribed by this chapter.

3 (c) To renew an expired registration, the service dealer shall
4 apply for renewal on a form prescribed by the director, pay the
5 renewal fee in effect on the last regular renewal date, and pay all
6 accrued and unpaid the delinquency and renewal fees. *fee.*

7 (d) Renewal is effective on the date that the application is ~~filed~~
8 *filed and the renewal fee is paid*, and all delinquency fees are paid.

9 (e) For purposes of implementing the distribution of the renewal
10 of registrations throughout the year, the director may extend by
11 not more than six months, the date fixed by law for renewal of a
12 registration, except that in that event any renewal fee that may be
13 involved shall be prorated in a manner that no person shall be
14 required to pay a greater or lesser fee than would have been
15 required had the change in renewal dates not occurred.

16 *SEC. 42. Section 9832.5 of the Business and Professions Code*
17 *is amended to read:*

18 9832.5. (a) Registrations issued under this chapter shall expire
19 no more than 12 months after the issue date. The expiration date
20 of registrations shall be set by the director in a manner to best
21 distribute renewal procedures throughout the year.

22 (b) To renew an unexpired registration, the service contractor
23 shall, on or before the expiration date of the registration, apply for
24 renewal on a form prescribed by the director, and pay the renewal
25 fee prescribed by this chapter.

26 (c) To renew an expired registration, the service contractor shall
27 apply for renewal on a form prescribed by the director, pay the
28 renewal fee in effect on the last regular renewal date, and pay all
29 accrued and unpaid the delinquency and renewal fees.

30 (d) Renewal is effective on the date that the application is ~~filed~~
31 *filed and the renewal fee is paid*, and all delinquency fees are paid.

32 (e) For purposes of implementing the distribution of the renewal
33 of registrations throughout the year, the director may extend, by
34 not more than six months, the date fixed by law for renewal of a
35 registration, except that, in that event, any renewal fee that may
36 be involved shall be prorated in such a manner that no person shall
37 be required to pay a greater or lesser fee than would have been
38 required had the change in renewal dates not occurred.

39 (f) This section shall remain in effect only until January 1, 2023,
40 and as of that date is repealed.

1 *SEC. 43. Section 9884.5 of the Business and Professions Code*
 2 *is amended to read:*

3 9884.5. A registration that is not renewed within three years
 4 following its expiration shall not be renewed, restored, or reinstated
 5 thereafter, and the delinquent registration shall be canceled
 6 immediately upon expiration of the three-year period.

7 An automotive repair dealer whose registration has been canceled
 8 by operation of this section shall obtain a new registration only if
 9 ~~he or she~~ *the automotive repair dealer* again meets the requirements
 10 set forth in this chapter relating to registration, is not subject to
 11 denial under Section 480, and pays the applicable fees.

12 An expired registration may be renewed at any time within three
 13 years after its expiration upon the filing of an application for
 14 renewal on a form prescribed by the bureau and the payment of
 15 ~~all accrued~~ *the* renewal and delinquency fees. Renewal under this
 16 section shall be effective on the date on which the application is
 17 filed and ~~all~~ *the* renewal and delinquency fees are paid. If so
 18 renewed, the registration shall continue in effect through the
 19 expiration date of the current registration year as provided in
 20 Section 9884.3, at which time the registration shall be subject to
 21 renewal.

22 *SEC. 44. Section 19170.5 of the Business and Professions Code*
 23 *is amended to read:*

24 19170.5. (a) ~~Except~~ as provided in Section 19170.3, licenses
 25 issued under this chapter expire two years from the date of
 26 issuance. To renew ~~his or her~~ *a* license, a licensee shall, on or
 27 before the date on which it would otherwise expire, apply for
 28 renewal on a form prescribed by the chief, and pay the fees
 29 prescribed by Sections 19170 and 19213.1. If a licensee fails to
 30 renew ~~his or her~~ *their* license before its expiration, a delinquency
 31 fee of 20 percent, but not more than one hundred dollars (\$100),
 32 notwithstanding the provisions of Section 163.5, shall be added
 33 to the renewal fee. If the renewal fee and delinquency fee are not
 34 paid within 90 days after expiration of a license, the licensee shall
 35 be assessed an additional penalty fee of 30 percent of the renewal
 36 fee.

37 (b) ~~Except~~ as otherwise provided in this chapter, a licensee may
 38 renew an expired license within six years after expiration of the
 39 license by filing an application for renewal on a form prescribed

1 by the bureau, and paying ~~all accrued renewal, delinquent, the~~
2 *renewal, delinquency,* and penalty fees.

3 (c) A license that is not renewed within six years of its expiration
4 shall not be renewed, restored, reinstated, or reissued, but the holder
5 of the license may apply for and obtain a new license if both of
6 the following requirements are satisfied:

7 (1) No fact, circumstance, or condition exists which would
8 justify denial of licensure under Section 480.

9 (2) The licensee pays ~~all the~~ *renewal, delinquency, and penalty*
10 ~~fees that have accrued since the date on which the license was last~~
11 ~~renewed.~~ *fees.*

12 (d) The bureau may impose conditions on any license issued
13 pursuant to subdivision (c).

14 *SEC. 45. Section 19290 of the Business and Professions Code*
15 *is amended to read:*

16 19290. (a) Permits issued under this chapter expire two years
17 from the date of issuance. To renew a permit, a permittee shall,
18 on or before the date on which it would otherwise expire, apply
19 for renewal on a form prescribed by the chief, and continue to pay
20 the fees prescribed in Sections 19288 and 19288.1. Notwithstanding
21 Section 163.5, if a permittee fails to renew the permit before its
22 expiration, a delinquency fee of 20 percent of the most recent fee
23 paid to the bureau pursuant to Sections 19288 and 19288.1 shall
24 be added to the amount due to the bureau at the next fee interval.
25 If the renewal fee and delinquency fee are not paid within 90 days
26 after expiration of a permit, the permittee shall be assessed an
27 additional fee of 30 percent of the most recent fee paid to the
28 bureau pursuant to Sections 19288 and 19288.1.

29 (b) Except as otherwise provided in this chapter, a permittee
30 may renew an expired permit within two years after expiration of
31 the permit by filing an application for renewal on a form prescribed
32 by the bureau, and paying all ~~accrued~~ fees.

33 (c) A permit that is not renewed within two years of its
34 expiration shall not be renewed, restored, reinstated, or reissued,
35 but the holder of the expired permit may apply for and obtain a
36 new permit as provided in this chapter, upon payment of all fees
37 that accrued since the date the permit was last renewed.

38 (d) The bureau may impose conditions on any permit issued
39 pursuant to subdivision (c).

1 SECTION 1. ~~Section 4073 of the Business and Professions~~
2 ~~Code is amended to read:~~

3 4073. (a) ~~A pharmacist filling a prescription order for a drug~~
4 ~~product prescribed by its trade or brand name may select another~~
5 ~~drug product with the same active chemical ingredients of the same~~
6 ~~strength, quantity, and dosage form, and of the same generic drug~~
7 ~~name as determined by the United States Adopted Names (USAN)~~
8 ~~and accepted by the federal Food and Drug Administration (FDA),~~
9 ~~of those drug products having the same active chemical ingredients.~~

10 (b) ~~In no case shall a selection be made pursuant to this section~~
11 ~~if the prescriber personally indicates, either orally or in the~~
12 ~~prescriber's own handwriting, "Do not substitute," or words of~~
13 ~~similar meaning. Nothing in this subdivision shall prohibit a~~
14 ~~prescriber from checking a box on a prescription marked "Do not~~
15 ~~substitute"; provided that the prescriber personally initials the box~~
16 ~~or checkmark. To indicate that a selection shall not be made~~
17 ~~pursuant to this section for an electronic data transmission~~
18 ~~prescription as defined in subdivision (c) of Section 4040, a~~
19 ~~prescriber may indicate "Do not substitute," or words of similar~~
20 ~~meaning, in the prescription as transmitted by electronic data, or~~
21 ~~may check a box marked on the prescription "Do not substitute."~~
22 ~~In either instance, it shall not be required that the prohibition on~~
23 ~~substitution be manually initialed by the prescriber.~~

24 (c) ~~Selection pursuant to this section is within the discretion of~~
25 ~~the pharmacist, except as provided in subdivision (b). The person~~
26 ~~who selects the drug product to be dispensed pursuant to this~~
27 ~~section shall assume the same responsibility for selecting the~~
28 ~~dispensed drug product as would be incurred in filling a~~
29 ~~prescription for a drug product prescribed by generic name. There~~
30 ~~shall be no liability on the prescriber for an act or omission by a~~
31 ~~pharmacist in selecting, preparing, or dispensing a drug product~~
32 ~~pursuant to this section. In no case shall the pharmacist select a~~
33 ~~drug product pursuant to this section unless the drug product~~
34 ~~selected costs the patient less than the prescribed drug product.~~
35 ~~Cost, as used in this subdivision, is defined to include any~~
36 ~~professional fee that may be charged by the pharmacist.~~

37 (d) ~~This section shall apply to all prescriptions, including those~~
38 ~~presented by or on behalf of persons receiving assistance from the~~
39 ~~federal government or pursuant to the California Medical~~
40 ~~Assistance Program set forth in Chapter 7 (commencing with~~

1 ~~Section 14000) of Part 3 of Division 9 of the Welfare and~~
2 ~~Institutions Code:~~

3 ~~(e)¶When a substitution is made pursuant to this section, the use~~
4 ~~of the cost-saving drug product dispensed shall be communicated~~
5 ~~to the patient and the name of the dispensed drug product shall be~~
6 ~~indicated on the prescription label, except where the prescriber~~
7 ~~orders otherwise.~~

O

**CONTRACTORS STATE LICENSE BOARD
LEGISLATIVE ANALYSIS**

Bill Number: AB 1024 (Frazier)
Status/Location: Assembly Business and Professions Committee
Sponsor: Author
Subject: Home Inspectors: Licensing: Contractors' State License Board
Code Section: Amend Business and Professions Code section 7076.5

Summary: This bill would require, beginning January 1, 2022, a person who performs home inspections to obtain a license from the Contractors State License Board (CSLB).

Existing law defines “home inspection” as “a noninvasive, physical examination, performed for a fee in connection with a transfer . . . of real property, of the mechanical, electrical, or plumbing systems or the structural and essential components of a residential dwelling of one to four units designed to identify material defects in those systems, structures, and components” (Business and Professions Code (BPC) section 7195). Existing law defines “home inspector” as any individual who performs a home inspection (BPC section 7195(d)). Currently, there is no California license for home inspectors.

This bill would require any persons who perform home inspections as defined to obtain a license from CSLB beginning January 1, 2022. The bill requires CSLB to establish criteria for licensing home inspectors and set reasonable fees for licensing and renewal. The bill provides the registrar authority to enforce the licensing requirements. The bill exempts from its requirements a person performing home inspections who is a licensed general contractor, pest control operator, architect, or professional engineer.

Background: Because the author has not released a fact sheet for this bill, other than the intent to require licensure for home inspectors in California the impetus of this bill is unclear. As of this writing, the bill has not been scheduled for a hearing in the Assembly Business and Professions committee.

CSLB staff has corresponded frequently with the author’s office, as well as Assembly Business & Professions Committee staff, about this bill. CSLB has also provided technical information about the CSLB licensing process to legislative representatives. Both the author’s office, as well as Assembly staff have since indicated that “CSLB may not be the right place for this bill.” According to Assembly staff, the bill will likely be a “two-year bill.”

Prior Related Legislation:

SB 2026 (Petris, 1986): Would have required CSLB to study problems related to home inspectors. **Failed passage.**

SB 974 (Petris, 1987): Would have required CSLB to regulate and license home inspectors. **Failed passage**

AB 2780 (O'Connell, 1994): Would have provided a statutory scheme for certification of home inspectors by a statewide nonprofit organization created for this purpose. **Failed passage on the Senate Floor.**

SB 258 (O'Connell, 1995): **Passed in 1996**, reflects current law (described on the previous page) regarding home inspectors and home inspections (BPC sections 7195–7199). Contains no licensing or certification requirements for home inspectors.

SB 1216 (Hughes, 1999): Would have required home inspectors to pass an examination to be created by the “Cooperative Services Joint Powers Authority.” Would have made it unlawful to represent oneself as a home inspector without passing the exam and provided for civil penalties to be recovered by homeowner. **Vetoed by the Governor.**

SB 1332 (Figueroa, 2001): Would have made it unlawful to refer to oneself as a certified home inspector unless demonstrating certain requirements to a home inspection professional association. Required inspectors to make certain disclosures. **Died in committee.**

AB 1976 (Maze, 2004): Would have required CSLB to consult with professional associations to develop a license and examination process for home inspectors and would have made violation of its provisions a misdemeanor. **Failed passage in committee.**

AB 1118 (Hayashi, 2009): Would have required certification of home inspectors by professional associations and the meeting of certain minimum requirements. Would have required DCA to develop an examination and made it unlawful to not comply. **Died as two-year bill.**

AB 717 (Dababneh, 2017): Would have made home inspectors licensees of CSLB. **Died as two-year bill.**

Support: None currently on file (4/16/19)

Opposition: None currently on file (4/16/19)

Fiscal Impact for CSLB:

Total estimated cost is \$2.4 million initially and \$1.8 million ongoing.

California does not currently license home inspectors. Based on the current bill language and without knowing the prospective size of the applicant and license population, CSLB can only give a rough estimate as to the costs associated with creating a new licensing program under its jurisdiction.

Existing CSLB staff cannot absorb this work. CSLB estimates it would need additional staff in its Licensing, Testing, and Enforcement divisions. This would also entail hiring an IT consultant, contracting with subject matter experts for exam development and occupational analysis, and additional Attorney General costs to prosecute and enforce the law.

Staff Recommendation and Comments: OPPOSE. The act of inspection of real estate incident to the transfer of property is a fundamentally different activity than that of a contractor. CSLB is not designed to accommodate a licensing program unrelated to its existing practice act.

Date: April 16, 2019

ASSEMBLY BILL

No. 1024

Introduced by Assembly Member Frazier

February 21, 2019

An act to add Section 7195.1 to the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1024, as introduced, Frazier. Home inspectors: licensing: Contractors' State License Board.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board in the Department of Consumer Affairs. Existing law requires the board to appoint a registrar of contractors to carry out administrative duties, as provided.

Existing law defines home inspection and establishes a standard of care for persons performing home inspections.

This bill, beginning January 1, 2022, would require a person performing a home inspection, as defined, to be licensed by the Contractors' State License Board. The bill would authorize the board to establish criteria for licensing home inspectors and establish fees for licensing and renewal. The bill would authorize the registrar to enforce the licensing provisions. The bill would exempt a licensed general contractor, pest control operator, architect, or professional engineer from these licensing provisions.

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

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

- 1 SECTION 1. Section 7195.1 is added to the Business and
- 2 Professions Code, to read:
- 3 7195.1. (a) Beginning January 1, 2022, a person who performs
- 4 home inspections, as defined in Section 7195, shall obtain a license
- 5 from the Contractors’ State License Board.
- 6 (b) The Contractors’ State License Board shall establish criteria
- 7 for licensing home inspectors under this section, including setting
- 8 reasonable fees for licensing and renewal.
- 9 (c) The registrar shall have the authority to enforce these
- 10 licensing requirements.
- 11 (d) This section shall not apply to a person performing home
- 12 inspections who is a licensed general contractor, pest control
- 13 operator, architect, or professional engineer.

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: AB 1545 (Obernolte)
Status/Location: Assembly Accountability and Administrative Review Comm.
Hearing 4/24/19
Sponsor: Author
Subject: Civil Penalty Reduction Policy
Code Section: Add Chapter 3.7 to the Government Code

Summary: This bill would require an agency that “significantly regulates small business” to: 1) assist small businesses with complying with the agency’s laws; 2) assist small businesses with an enforcement action taken by the agency; and 3) establish a policy to reduce civil penalties for a small business’s violation of the agency’s requirements.

Existing law establishes the Office of Small Business Advocate within the Governor’s Office of Business and Economic Development that represents the views and interests of small business before other agencies. Existing law requires a state agency that “significantly regulates small business” to designate a “small business liaison” to respond to complaints from small business and assist small business in complying with the agency’s laws. The Department of Consumer Affairs (DCA) has a small business liaison program (<https://www.dca.ca.gov/publications/sb-liaison.shtml>); CSLB does not.

This bill defines a “state agency” to include a “state agency, department, board, or commission that has significant rulemaking authority over small businesses.” This bill defines “small business” as one that is independently owned and operated, not dominant in its field of operations, has fewer than 100 employees, and has average annual gross receipts of \$15,000,000 or less over the previous three years.

This bill requires that a state agency assist a small business in complying with the agency’s statutes and regulations, which an agency may do through its “small business liaison” program. It requires a state agency to assist a small business during an enforcement action by the agency and requires the agency to establish a policy to provide for the reduction of civil penalties for violations on the part of small business that meet certain criteria.

Under this bill, a small business would be eligible for penalty reduction if their conduct was not willful, criminal, or an imminent health, safety, or environmental threat, and reflected a “low degree of culpability” in consideration of the business’s “size, length of operation, and sophistication of its owners or managers.” In reducing civil penalties, the bill requires the agency to consider the small business’s history of violations, its cooperation with the investigation, and its corrective efforts, as well as whether or not the penalty would “impede the small business from continuing to conduct business.”

This bill would allow the state agency to update the civil penalty reduction policy as needed and would require the agency to post a current copy of the policy, as well as specified information and statistics about the program, on its website. This bill requires the state agency to notify the Office of Small Business Advocate of the occurrence of certain events affecting the civil penalty reduction program.

Background: According to the bill analysis by the Assembly Committee on Jobs, Economic Development, and the Economy (JEDE), small business plays a significant role in the state's \$2.7 trillion economy. JEDE states that businesses with fewer than 20 employees comprise over 88.3 percent of all business and employ approximately 18.2 percent of all workers, and that businesses with fewer than 100 employees represent 97.3 percent of all businesses and employ 35.8 percent of the workforce.

According to the JEDE, the public rulemaking process does not allow state agencies to effectively "assess the cost and complexity" of the rules it imposes on small businesses that are often those with the least ability to participate in the process. According to the JEDE, "these challenges can result in small businesses inadvertently breaking laws and being fined, sometimes significant amounts of money" and that "while ignorance of the law is no excuse, the state bears some level of responsibility for assisting the state's smallest businesses."

According to the JEDE, this bill is modeled after the federal Small Business Regulatory Enforcement Fairness Act. The federal program imposes a process for resolving agency fines and penalties assessed to small businesses that have engaged in corrective action for acts that are not criminal, or a health and safety or environmental threat.

Support: None currently on file (4/16/19)

Opposition: None currently on file (4/16/19)

Fiscal Impact for CSLB:

One-time absorbable costs:

\$38,000 for licensing staff
\$22,000 for IT programming
\$45,000 for executive staff
\$105,000 total

Initial and ongoing revenue loss:

Based on 2018 statistical data the average citation fine after appeals and modifications is \$1,625. CSLB collected \$2,067,658 in fines in FY 2017-18. Assuming a further reduction in civil penalties of 25 percent, this would equate to a revenue loss of \$500,000 annually.

Staff Recommendation and Comments: OPPOSE. The goal of aiding small businesses in their efforts to comply with state law is laudable. However, the annual revenue loss of \$500,000 would substantially compromise CSLB's consumer protection mandate and efforts to combat the underground economy.

CSLB is already limited by statute and regulation to a cap of \$5,000 on most citations. Based on 2018 statistical data, the average citation fine after appeals and modifications is \$1,625, which is substantially less than the actual cost to CSLB of \$5,000 for an appealed citation, and \$9,800 for a citation appealed through the administrative hearing process.

Furthermore, CSLB has successfully worked with the Legislature to obtain authority to issue Letters of Admonishment (that do not include a civil penalty) in lieu of a citation, as well as authority to reduce civil penalties through settlement conferences (SB 1042, Monning, 2018; AB 486, Monning, 2017, respectively).

Date: April 16, 2019

AMENDED IN ASSEMBLY APRIL 8, 2019
AMENDED IN ASSEMBLY MARCH 26, 2019
CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 1545

Introduced by Assembly Member Obernolte

February 22, 2019

An act to add Chapter 3.7 (commencing with Section 11367) to Part 1 of Division 3 of Title 2 of the Government Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

AB 1545, as amended, Obernolte. Civil penalty reduction policy.

Existing law, the Administrative Procedure Act, governs the procedures for the adoption, amendment, or repeal of regulations by state agencies and requires, among other things, that a state agency make available to the public facts, evidence, documents, testimony, or other evidence on which the state agency relies to support the agency's determination that the proposed action will not have a significant adverse economic impact on business.

Existing law establishes the Office of Small Business Advocate, within the Governor's Office of Business and Economic Development, and establishes the duties and functions of the Director of the Office of Small Business Advocate including, among other duties, representing the views and interests of small businesses before other state agencies whose policies and activities may affect small businesses. Existing law requires each state agency that significantly regulates small business or that significantly impacts small business to designate at least one person who is required to serve as a small business liaison.

This bill would, with certain exceptions, require a state agency to assist a small business, as defined, in complying with all statutes and regulations administered by the state agency and in any enforcement action by the state agency. The bill would require a state agency to establish a policy, by December 31, 2020, that provides for the reduction of civil penalties for violations of regulatory or statutory requirements by a small business under appropriate circumstances. The bill would authorize the state agency to update the policy to reflect current issues and conditions affecting small businesses and the state agency.

This bill would require the state agency to post a current copy of the policy on the state agency’s internet website and, until June 30, 2024, to annually post specified information about enforcement actions and penalty reductions (annual report). The bill would require a state agency to notify the Office of Small Business Advocate of certain events relating to its policy and annual report.

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

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

1 SECTION 1. This act shall be known, and may be cited, as the
2 California Small Business Regulatory Fairness Act.

3 SEC. 2. Chapter 3.7 (commencing with Section 11367) is added
4 to Part 1 of Division 3 of Title 2 of the Government Code, to read:

5
6 CHAPTER 3.7. CALIFORNIA SMALL BUSINESS REGULATORY
7 FAIRNESS ACT
8

9 11367. The following terms shall have the following meanings
10 for purposes of this chapter:

11 (a) “Small business” means a business that is all of the
12 following:

- 13 (1) Independently owned and operated.
- 14 (2) Not dominant in its field of operation.
- 15 (3) Has fewer than 100 employees.
- 16 (4) Has average annual gross receipts of ~~ten~~ *fifteen* million
17 dollars (~~\$10,000,000~~) (*\$15,000,000*) or less over the previous three
18 years.

19 (b) “State agency” means any state agency, department, board,
20 or commission that has significant rulemaking authority over small

1 businesses, except the Franchise Tax Board, the California
2 Department of Tax and Fee Administration, or the State Board of
3 Equalization.

4 11367.1. (a) A state agency shall do all of the following:

5 (1) Assist a small business in achieving compliance with statutes
6 and regulations administered by the state agency. This requirement
7 may be met through the implementation of the requirements in
8 Section 11148.5.

9 (2) Assist a small business during an enforcement action by the
10 state agency.

11 (3)(A) By December 31, 2020, establish a policy to provide
12 for the reduction of civil penalties for violations of regulatory or
13 statutory requirements by a small business under appropriate
14 circumstances.

15 (B) The policy shall exclusively be applied to small businesses
16 that meet all of the following criteria:

17 (i) The violation by the small business did not involve willful
18 or criminal conduct.

19 (ii) The violation by the small business did not pose an imminent
20 health, safety, or environmental threat.

21 (iii) The small business has a low degree of culpability when
22 its conduct is judged in light of its size, length of operation, and
23 the sophistication of its owners or managers.

24 (C) The policy shall include the factors that shall be considered
25 when the agency determines if, and to what extent, the fine shall
26 be reduced. The policy shall be designed to result in a range of
27 reductions, based upon the following factors, which include, but
28 are not limited to:

29 (i) The degree to which the small business cooperated during
30 any investigation by the state agency.

31 (ii) The degree to which the small business engaged in
32 subsequent action to correct the violation, as appropriate.

33 (iii) The prior history of the small business in meeting regulatory
34 requirements of the agency.

35 (iv) The degree to which the level of the penalty would impede
36 the small business from continuing to conduct business.

37 (b) The state agency may update the policy from time to time
38 to reflect current issues and conditions affecting small businesses
39 and the state agency.

1 (c)(1) The state agency shall post a current copy of the policy
2 on the state agency’s internet website within 30 days of adoption
3 or amendment of the policy.

4 (2) The state agency shall annually post information on the state
5 agency’s internet website as to the aggregate number and category
6 of enforcement actions that were reviewed pursuant to this section,
7 the total number of small businesses and actions that qualified for
8 civil penalty reductions in the report period, and the total dollar
9 amount of reductions issued. The requirement for annual reporting
10 imposed by this paragraph shall become inoperative on June 30,
11 2024.

12 (d) The notice shall include a link to where the policy and annual
13 utilization report pursuant to paragraph (2) of subdivision (c) is
14 posted on the state agency’s internet website. The state agency
15 shall notify the Office of Small Business Advocate within 15
16 working days of the following situations occurring:

17 (1) The policy is adopted or amended.

18 (2) The annual utilization report is posted.

19 (3) The policy or the annual utilization report is relocated from
20 the state agency’s internet website. The notice shall include a link
21 to the new internet website location.

22 (4) The policy or the annual utilization report is removed from
23 the state agency’s internet website. The notice shall include an
24 explanation as to why the information was removed.

O

CONTRACTORS STATE LICENSE BOARD LEGISLATIVE ANALYSIS

Bill Number: SB 53 (Wilk) (Coauthors: Bates, Portantino, Jones, Patterson, Gallagher, Lackey, Mathis, Glazer, Choi)
Status/Location: Senate Third Reading File
Sponsor: Author
Subject: Open Meetings
Code Section: Amend Government Code section 11121

Summary: This bill would subject two-person advisory committees of a state board to the Bagley-Keene Open Meeting Act.

Existing Law: The Bagley-Keene Open Meeting Act (Act) declares that public agencies “exist to aid in the conduct of the people’s business” and provides that “proceedings of public agencies be conducted openly so that the public may remain informed.” As such, existing law requires all meetings of a “state body” to be open and public, with all persons permitted to attend any meeting, subject to specified circumstances.

Existing law, for purposes of the Act, defines a “state body” to include any state board created by statute or required by law to conduct official meetings, as well as any board that exercises any authority of a state body. Existing law also defines “state body” to include any “advisory” board or committee – if it is created by a state body or one of its representatives – and it consists of *three or more persons*.

Existing law also defines a “state body” to include any multimember body, board, commission, or committee, whether public or private, that itself includes a member of state body, as long as that member is acting in an official capacity, and the body on which the member serves is supported by funds provided by the state body.

This bill expands the definition of “state body” under the Act to include an advisory board or committee that has *fewer than three persons*, if it includes a member of a state body acting in their official capacity and which the state body funds. Consequently, a two-person advisory committee would be subject to the open meeting provisions of the Act.

Background: According to the author, it is a legal “loophole” that state bodies are not subject to the same requirements as local government entities or the Legislature, which are required to hold meetings open to the public, even when taking no action. The author states that many state agencies “have used this misinterpretation to mean that standing committees can hold closed-door meetings as long as they contain two rather than three members and do not vote to take action on items” in order to avoid the open meeting requirements. According to the author, this is contrary to the legislative intent that “government at all levels must conduct its business in a visible and transparent manner.”

The bill has been identified as an “urgency measure” by the author, who posits that the constitutional right to access public meetings is currently compromised. It is, consequently, subject to a 2/3rd vote by both legislative houses and, if approved by the Governor, would take effect immediately.

Prior Related Legislation:

AB 2058 (Wilk, 2014): Would have clarified that standing committees composed of less than three members that meet certain criteria are subject to the Bagley-Keene Open Meeting Act. The legislature passed this bill unanimously, but Governor Brown vetoed the legislation. The veto message stated, in part, “Any meeting involving formal action by a state body should be open to the public. An advisory committee, however, does not have authority to act on its own and must present any findings and recommendations to a larger body in a public setting for formal action. That should be sufficient.”

AB 85 (Wilk, 2015): Would have made the same change to the Government Code as proposed by SB 53 (2019). The legislature passed this bill unanimously, but Governor Brown vetoed the legislation. The veto message stated, in part, “My thinking on this matter has not changed . . . I believe strongly in transparency and openness, but the more informal deliberation of advisory bodies is best left to current law.”

Support:

CalAware
California Association of Licensed Investigators
League of Women Voters of California
California News Publishers Association (CNPA)

In support, CNPA writes:

[O]ne of the purposes of the Bagley-Keene Act is to ensure that deliberations of state agencies be conducted openly. See Government Code § 11120. Unfortunately, ambiguity in the law is allowing state agencies to deliberate behind closed doors by limiting standing committees to fewer than three members. What this means is that decisions about policy development are being made without the public having a seat at the table. When two-member advisory committees . . . meet outside of public view, the public only gets the benefit of an abbreviated version of the deliberations that underlie actions taken by the state body.

Opposition:

California Board of Accountancy (CBA)

In opposition, CBA writes:

[T]his bill would prevent the CBA, and its committees, from asking two members to review a document, draft a letter, provide expert analysis, or advise CBA staff on other matters without giving public notice. SB 53 may prevent the CBA from conducting certain outreach and communications activities that include more

than one member present, as that may constitute a meeting . . . subject to the Open Meeting Act.”

Fiscal Impact for CSLB: Pending

Staff Recommendation and Comments: OPPOSE. CSLB has not traditionally used advisory committees to set or develop policy, only to facilitate board member collaboration with staff on important topics, such as workers’ compensation, building permits, sunset review, and preparation of the slate for the election of board officers (which the board does not have to approve). Governor’s Brown’s 2014 veto message is well taken – an advisory committee does not have the authority to act on its own; a public meeting is required to take any formal action. Government transparency is a laudable goal, but perhaps not at the expense of routine operations that do not require board action. Staff agree with Governor Brown’s assessment that the “more informal deliberation of advisory bodies is best left to current law.”

Date: April 17, 2019

AMENDED IN SENATE MARCH 5, 2019

SENATE BILL

No. 53

Introduced by Senator Wilk

~~(Coauthor: Assembly Member Lackey)~~

(Coauthors: Senators Bates, Glazer, Jones, and Portantino)

(Coauthors: Assembly Members Choi, Gallagher, Lackey, Mathis, and Patterson)

December 10, 2018

An act to amend Section 11121 of the Government Code, relating to state government, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 53, as amended, Wilk. Open meetings.

The Bagley-Keene Open Meeting Act requires that all meetings of a state body, as defined, be open and public and that all persons be permitted to attend and participate in a meeting of a state body, subject to certain conditions and exceptions.

This bill would specify that the definition of "state body" includes an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body that consists of 3 or more individuals, as prescribed, except a board, commission, committee, or similar multimember body on which a member of a body serves in ~~his or her~~ *their* official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 11121 of the Government Code is
2 amended to read:

3 11121. As used in this article, “state body” means each of the
4 following:

5 (a) Every state board, or commission, or similar multimember
6 body of the state that is created by statute or required by law to
7 conduct official meetings and every commission created by
8 executive order.

9 (b) A board, commission, committee, or similar multimember
10 body that exercises any authority of a state body delegated to it by
11 that state body.

12 (c) An advisory board, advisory commission, advisory
13 committee, advisory subcommittee, or similar multimember
14 advisory body of a state body, if created by formal action of the
15 state body or of any member of the state body, and if the advisory
16 body so created consists of three or more persons, except as
17 provided in subdivision (d).

18 (d) A board, commission, committee, or similar multimember
19 body on which a member of a body that is a state body pursuant
20 to this section serves in ~~his or her~~ *their* official capacity as a
21 representative of that state body and that is supported, in whole or
22 in part, by funds provided by the state body, whether the
23 multimember body is organized and operated by the state body or
24 by a private corporation.

25 (e) Notwithstanding subdivision (a) of Section 11121.1, the
26 State Bar of California, as described in Section 6001 of the
27 Business and Professions Code. This subdivision shall become
28 operative on April 1, 2016.

29 SEC. 2. This act is an urgency statute necessary for the
30 immediate preservation of the public peace, health, or safety within
31 the meaning of Article IV of the California Constitution and shall
32 go into immediate effect. The facts constituting the necessity are:

1 In order to avoid unnecessary litigation and ensure the people's
2 right to access the meetings of public bodies pursuant to Section
3 3 of Article 1 of the California Constitution, it is necessary that
4 this act take effect immediately.

O

AGENDA ITEM D

Review, Discussion, and Possible Action on Legislative Proposal to Seek Continuous Appropriation for Construction Management Education Account





CONTRACTORS STATE LICENSE BOARD

POTENTIAL 2019 LEGISLATIVE PROPOSAL

SUBJECT: To submit a legislative proposal that will allow the board to grant all but \$50,000 in the Construction Management Education Account (CMEA) to schools each year without seeking annual budget authority from the Legislature.

RELEVANT PROVISION: Business & Professions Code (BPC) section 7139.2

BACKGROUND: The Construction Management Education Sponsorship Act of 1991 enables the board to issue grants to post-secondary institutions that offer certain construction management education programs. CMEA funds can only be used to issue grants and CSLB applicants and licensees may donate funds to the CMEA when applying for a license or applying for a license renewal.

In 2009, the board sought and received legislative authority to disperse \$150,000 in construction management education grants each year without the need for annual authorization in the state budget (i.e., a “continuous appropriation”). In fiscal year 2014-15, however, the balance in the CMEA fell below \$150,000 and, due to budgeting rules, the board’s authorization to spend CMEA funds was reduced to \$100,000 annually.

IDENTIFICATION OF PROBLEM: In the last few years, the low level of the CMEA balance precluded staff from dispensing funds. In 2018, however, the balance increased to \$363,000, and acting on the board’s preference, staff initiated the grant application process, with plans to disperse \$150,000 in 2019. In February 2019, as the disbursements were being finalized, staff became aware of the \$50,000 annual reduction in spending authority. As a result, staff was forced to reduce the grant awards and did so based on the number of graduates in each program, as follows:

Institution	Number of Applicable Graduates	Award Amount per Graduate	Grant Award
Cal Poly – SLO	124	\$549.45 \$366.30	\$68,131.80 \$45,421.20
CSU Chico	115	\$549.45 \$366.30	\$63,186.75 \$42,124.50
CSU Sacramento	34	\$549.45 \$366.30	\$18,681.30 \$12,454.20
Total	273	\$549.45 \$366.30	\$149,999.85 \$99,999.90

PROPOSED CHANGE: To afford the board more discretion in the distribution of CMEA funds, staff proposes an amendment to BPC section 7139.2 to allow for a new annual “continuous appropriation” of any amount from the CMEA, so long as the board maintains a \$50,000 reserve in the account.



PROPOSED LANGUAGE: Section 7139.2 of the Business and Professions Code is amended to read:

(a) There is hereby created the Construction Management Education Account (CMEA) as a separate account in the Contractors' License Fund for the purposes of construction management education. Funds in the account shall be available for the purposes of this article ~~upon appropriation by the Legislature~~.

1) Funds in the Construction Management Education Account are continuously appropriated to the Contractors State License Board each fiscal year.

2) The board shall maintain a fifty thousand dollar (\$50,000) reserve in the Construction Management Education Account.

(b) The Contractors' State License Board shall allow a contractor to make a contribution to the Construction Management Education Account at the time of the contractor license fee payment. The license fee form shall clearly display this alternative on its face and shall clearly inform the licensee that this provision is a contribution to the Construction Management Education Account and is in addition to the fees.

(c) The board may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this article. Grant moneys shall be deposited into the Construction Management Education Account.

PRIOR RELATED LEGISLATION: AB 456, Cook (2007): Would have continuously appropriated funds in the CMEA; bill died in committee.

IMPACT ON CSLB DIVISIONS: Minor and absorbable

FISCAL IMPACT: Minor and absorbable

STAFF RECOMMENDATION: That the Legislative Committee recommend that the full board direct staff to develop a legislative proposal to amend BPC section 7139.2 to seek continuous appropriation from the Legislature, which will allow CSLB to distribute CMEA grants annually while maintaining a \$50,000 reserve.

AGENDA ITEM E

Review, Discussion, and Possible Action
to Recommend to the Board Initiation of a
Rulemaking to Add Title 16, California Code
of Regulations (16 CCR) Section 832.49 to
Create a New License Classification (C-49)
for Tree and Palm Contractor





CONTRACTORS STATE LICENSE BOARD

DEVELOPMENT OF C-LICENSE FOR TREE AND PALM CONTRACTORS

Background

At its April 2018 meeting, the board adopted a motion to develop a specialty “C” license classification for tree service and/or arborist work.

Currently, the following license classifications can perform tree service work:

- C-27: “A landscape contractor constructs, maintains, repairs, installs, or subcontracts the development of landscape systems and facilities for public and private gardens and other areas which are designed to aesthetically, architecturally, horticulturally, or functionally improve the grounds within or surrounding a structure or a tract or plot of land. In connection therewith, a landscape contractor prepares and grades plots and areas of land for the installation of any architectural, horticultural and decorative treatment or arrangement.”
- C-61/D-49: “A tree service contractor prunes trees, removes trees, limbs or stumps (including grinding) and engages in tree or limb guying.”

At the September 2018 board meeting, Licensing Committee Chair Frank Schetter reported that staff would hold stakeholder meetings in January 2019, to develop regulatory text.

Stakeholder Consensus

In January 2019, CSLB hosted a well-attended stakeholder meeting on the development of a specialty license classification for tree and palm contractors, with representation from nearly a dozen groups and organizations. At the conclusion of the meeting participants reached consensus on the following:

- A need for a specialty license classification for tree and palm contractors to ensure that licensees are tested on and aware of health and safety protocols to reduce injuries and damages
- The scope of the tree and palm contractor classification should encompass the scope in the existing C-61/D-49 classification and allow this new classification to “install” trees
- The existing C-27 license classification needs no alteration
- Existing C-61/D-49 licensees should be “grandfathered” into the new license classification, which is consistent with how the board has historically addressed changes in classification

Prior to the stakeholder meeting, staff had prepared a preliminary occupational analysis on tree and palm contractor work that was consistent with the meeting consensus.

The draft regulatory language that follows represents information gathered from both

Draft Regulatory Language

CONTRACTORS STATE LICENSE BOARD
ORIGINALLY PROPOSED LANGUAGE

Title 16, Division 8

Article 3. Classification

Amend Section 832 as follows:

832. Specialty Contractors Classified

Specialty contractors shall perform their trade using the art, experience, science and skill necessary to satisfactorily organize, administer, construct and complete projects under their classification, in accordance with the standards of their trade. They are classified into the following subclassifications:

Asbestos Abatement	C-22
Boiler, Hot Water Heating and Steam Fitting.....	C-4
Building Moving/Demolition	C-21
Cabinet, Mill Work and Finish Carpentry	C-6
Concrete.....	C-8
Construction Zone Traffic Control	C-31
Drywall	C-9
Earthwork and Paving	C-12
Electrical.....	C-10
Elevator	C-11



Fencing C-13

Fire Protection C-16

Flooring and Floor Covering C-15

Framing and Rough Carpentry C-5

General Manufactured Housing C-47

Glazing C-17

Insulation and Acoustical C-2

Landscaping C-27

Lathing and Plastering C-35

Limited Specialty C-61

Lock and Security Equipment C-28

Low Voltage Systems C-7

Masonry C-29

Ornamental Metal C-23

Painting and Decorating C-33

Parking and Highway Improvement C-32

Pipeline C-34

Plumbing C-36

Refrigeration C-38

Roofing C-39

Sanitation System C-42

Sheet Metal C-43

Sign C-45

Solar C-46

Steel, Reinforcing C-50



Steel, Structural..... C-51

Swimming Pool C-53

Tile (Ceramic and Mosaic) C-54

Tree and Palm..... C-49

Warm-Air Heating, Ventilating and Air Conditioning..... C-20

Water Conditioning..... C-55

Welding C-60

Well Drilling (Water) C-57

(Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code

Add Section 832.49 as follows:

832.49. Class C-49 – Tree and Palm Contractor

(a) A tree and palm contractor plants, maintains, and removes trees and palms. The duties include pruning, stump grinding, and tree, palm, or limb guying.

(b) Effective [OAL insert date: effective date of the regulation plus eighteen months], this regulation shall become operative and all limited specialty licenses previously issued by the Board under Section 832.61 that permitted a contractor to perform the work described in subsection (a) shall be automatically reclassified as a C-49 – Tree and Palm Contractor license.

Note: Authority cited: Sections 7008 and 7059, Business and Professions Code. Reference: Sections 7058 and 7059, Business and Professions Code.

Staff Recommendation

That the Licensing Committee recommend that the full board consider approval of the

AGENDA ITEM F

Update on Steps Taken to Develop Proposed Text on the Appropriate License Classification(s) to Install Energy Storage Systems (Status Update Only)





Update on Steps Taken to Develop Proposed Text on the Appropriate License Classification(s) to Install Energy Storage Systems (Status Update Only)

Introduction

On March 21, 2019, the board unanimously adopted the following motion:

- Consider battery energy storage system size, complexity, voltage and potential risk
- Draft a proposed regulatory package for board consideration that would prohibit or restrict certain contractor classifications from performing the installation of battery energy storage systems
- Assign this to the appropriate board committee or committees and provide updates at each board meeting.

Summary of the Rulemaking (or Regulatory) Process¹

The Contractors State License Board (CSLB) has authority to make regulations. Before new regulations can be published in the California Code of Regulations (to become law), they must be reviewed for compliance with the Administrative Procedures Act (APA). The agency responsible for this process is the Office of Administrative Law (OAL) within the executive branch of the state government.

In September 2016, the Secretary of the Business, Consumer Services and Housing Agency (Agency) required that boards and bureaus within the Department of Consumer Affairs (DCA) submit all rulemaking packages to DCA and Agency prior to filing with OAL. While this has lessened the number of packages rejected by OAL, it has elongated the regulatory process from a series of months to up to two years or more.

There are now five phases of regulation development and review:

1. Board staff work with DCA Legal Affairs (legal) to draft proposed regulatory text for approval at a board meeting.
2. Board staff and legal prepare the proposed regulatory package (which includes the text of the regulation) according to statutory standards. Any changes to the text must again be approved by the board.
3. DCA legal, budget, and director, as well as Agency review the proposed regulation package to ensure financial and economic effects are relevant, accurate and complete, all legal requirements are met, and there is no injury to public health or safety.

¹ Portions of this section draw heavily from DCA's Internal Review of Regulation Procedures, March 1, 2019. Pages 3-6. https://www.dca.ca.gov/publications/review_reg_procedures.pdf



4. The package is filed with OAL, which triggers a 45-day public comment period; any amendments to the text require additional 15-day public comment periods. Final statements of reason must be drafted in response to every issue mentioned in any public comment. The board must approve the final package to authorize submission to OAL.
5. DCA and Agency review any new content before it is sent to the Department of Finance (DOF) for financial and economic impact review. Following DOF review the package is sent to OAL for final decision.

Next Steps for CSLB

Currently, CSLB has authorized licensees in the following four classifications to install ESS, in some cases with certain restrictions:

- “A” General Engineering
- “B” General Building
- C-10 Electrical
- C-46 Solar

To comply with the regulation development and review process, CSLB staff plan to meet with the following entities regarding their insight about prohibiting or restricting any of the four license classifications listed above from performing ESS installation:

- Department of Finance
- Public Utilities Commission
- Governor’s Office of Business and Economic Development
- California Building Industry Association
- California Building Officials Association

CSLB staff do not plan to include an ESS item on the June 2019 board meeting agenda.

AGENDA ITEM G

Adjournment

