



MEMORANDUM

DATE	July 23, 2020
TO	Members of the Dental Board of California
FROM	Sarah Wallace Assistant Executive Officer Dental Board of California
SUBJECT	Agenda Item 14(b)(x): Discussion and Possible Action on Legislation

Background:

The Dental Board of California (Board) has been tracking [AB 613](#) (Low) Dentists: clinical laboratories: license examinations, and [SB 1474](#) (Senators Glazer (Chair), Archuleta, Chang, Dodd, Galgiani, Hill, Leyva, Pan, and Wilk; Principal coauthor: Assembly Member Low) Business and professions.

On July 22, 2020, amendments to SB 1474 were published post-dated to July 27, 2020. Most of the provisions of AB 613 were inserted into SB 1474 as part of these amendments.

Specifically, AB 613's expansion of the definition of a "laboratory director" to include a licensed Dentist was inserted in SB 1474 at section 3.

AB 613 had allowed acceptance of applicants for dental licensure who passed the American Board of Dental Examiners, Inc. (ADEX) exam or the Western Regional Examining Board (WREB) exam between January 1, 2015, to December 31, 2019. This was problematic because it would mean accepting applicants who passed the ADEX exam prior to the Board validating that exam, and because it contradicted current law requiring that a student using the WREB or ADEX to satisfy the examination requirements for licensure must have achieved a passing score on the exam within the prior five years.

The amendments to SB 1474, at sections 12-14, however only add the acceptance of applicants for dental licensure who passed the WREB exam between January 1, 2015, to December 31, 2019, and retains the five year limitation.

The amendments to SB 1474 were made after the Board's meeting materials for the July 24, 2020 Board meeting were distributed to Board members and posted to the

Amended Agenda Item 14(b)(x): Discussion and Possible Action on Legislation
Dental Board of California Meeting
July 24, 2020

Board's website. This memorandum updating the original analysis of SB 1474 includes information regarding SB 1474's status, location, date of introduction, date of last amendment, and an amended summary. Board staff will present the bill at the meeting.

Action Requested:

The Board may take one of the following actions regarding this bill:

- Support
- Support if Amended
- Oppose
- Oppose Unless Amended
- Watch
- Neutral
- No Action

LEGISLATIVE ANALYSES

[SB 1474](#) (Senators Glazer (Chair), Archuleta, Chang, Dodd, Galgiani, Hill, Leyva, Pan, and Wilk; Principal coauthor: Assembly Member Low) Business and professions.

Introduced: March 16, 2020

Last Amended: July 27, 2020

Disposition: Pending

Location: Assembly

Status: June 29, 2020 Referred to Assembly Committee on Business and Professions

Summary: Under existing law the failure of a licensee to pay a fine within 30 days of the date of assessment or order, unless the citation is being appealed, may result in disciplinary action being taken by the Board.

This bill, at section 3, would expand that provision to allow the Board to pursue a disciplinary action against a licensee who fails to pay a fine or comply with an order of abatement, or both, within 30 days of the assessment or order unless the citation is being appealed.

Existing law provides for the licensure, registration, and regulation of clinical laboratories and various clinical laboratory personnel by the State Department of Public Health. Existing law requires a clinical laboratory test or examination classified as waived under the federal Clinical Laboratory Improvement Amendments of 1988 (CLIA) to be performed under the overall operation and administration of a laboratory director, which is defined to include certain licensees.

This bill, at section 11, would expand the definition of “laboratory director” to include licensed dentists.

Under existing law, an applicant for Dentistry licensure to have taken and received a passing score on either a clinical and written examination administered by the Western Regional Examining Board or a clinical and written examination developed by the American Board of Dental Examiners, Inc., as specified.

This bill, at sections 12-14, until January 1, 2025, would specify that an applicant who received a passing score on an examination administered by the Western Regional Examining Board between January 1, 2015, to December 31, 2019, inclusive, shall be deemed to satisfy the examination requirement, for five years as specified.

Board Impact: This bill would expand the Board’s existing authority to discipline licensees who fail to comply with the Dental Practice Act. To the extent that it allows the Board to discipline a licensee who fails to comply with an order of abatement, this bill is a logical addition to the Board’s existing authority over licensees, and fills a gap in the current enforcement scheme.

The provision at section 11 expanding the definition of laboratory director to include licensed dentists, will allow dentists to perform COVID-19 testing in the future, to help meet the needs of the public in the face of this ongoing pandemic. The Dental Board does not license or oversee laboratory directors, so this will not impact the Board.

Board staff are concerned about the effect of section 14 allowing applicants to gain licensure based on a passing WREB score received between January 1, 2015 and December 31, 2019. This provision would allow candidates for licensure who took the WREB prior to January 1, 2020 but who opted not to take the prosthodontics section of the examination, to apply for full licensure. By contrast beginning January 1, 2020, all candidates for licensure in California through the WREB and ADEX pathways must show competency in prosthodontics. Competency in prosthodontics is important because much of the discipline of licensees in the state currently relates to crown and bridge placement and implants.

Board staff are concerned that allowing some applicants to gain licensure without taking the prosthodontics section would likely increase the incidence practitioners receiving discipline and patients suffering complications related to prosthodontic procedures being performed by practitioners who did not demonstrate competency in prosthodontics application prior to receiving a DDS license which allows them to perform these procedures.

The Board's most important duty is protection of the public, and this bill would remove significant authority to protect the public by validating the examinations students use to demonstrate their competency to be licensed. This could negatively impact the Board's ability to ensure that all practitioners are competent and safe. This bill would require rulemakings and corresponding changes to Breeze and office processes. The fiscal impact is expected to minor and absorbable.

Board Position: None Taken

AMENDED IN ASSEMBLY JULY 27, 2020

AMENDED IN SENATE JUNE 18, 2020

AMENDED IN SENATE MAY 14, 2020

SENATE BILL

No. 1474

**Introduced by Committee on Business, Professions and Economic
Development (Senators Glazer (Chair), Archuleta, Chang, Dodd,
Galgiani, Hill, Leyva, Pan, and Wilk)**

(Principal coauthor: Assembly Member Low)

(Coauthor: Senator Morrell)

March 16, 2020

An act to amend Sections 27, 101, 125.9, 130, 144, 200.1, 205, 494.5, 1000, 1209, 1913, 1917, 1917.1, 1922, 2065, 2113, 2135.5, 2460, 2531, 2531.75, 2570.19, 2602, 2607.5, 2841, 2847.1, 2847.3, 2920, 2933, 3504, 3512, 3686, 3710, 3716, 4001, 4003, 4501, 4503, 4604, 4621, 4800, 4804.5, 4990, 4990.04, 5600.4, 5810, 7000, 7000.5, 7000.6, 7011.4, 7011.5, 7011.8, 7015, 7017.3, 7028.7, 7030, 7031, 7058.7, 7071.4, 7080.5, 7085.5, 7099.2, 7123.5, 7135, 7136, 7137, 7137.5, 7138, 7139.1, 7139.2, 7141.5, 7145.5, 7159, 7170, 7303, 7512.3, 7512.14, 7512.15, 7520.3, 7525.1, 7529, 7533.5, 7538, 7538.5, 7539, 8516, 10050, 11301, 16100, and 19164 of, ~~and to amend, repeal, and add Section 1632 of,~~ to add Sections 5650.5 and 7099.9 to, ~~and to add and repeal Section 1632.56 of,~~ the Business and Professions Code, to add Section 1670.8.5 to the Civil Code, and to amend Section 94950 of the Education Code, relating to business and professions, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1474, as amended, Committee on Business, Professions and Economic Development. Business and professions.

(1) 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 fees and penalties received pursuant to the law to be deposited in the Contractors' License Fund, a continuously appropriated fund, except that certain service fees for the deposit of money in lieu of paying a bond are required to be deposited in the Contractors' Deposit Fund.

This bill would rename the Contractors' State license Law as the Contractors State License Law, would rename the Contractors' State License Board as the Contractors State License Board, and would rename the Contractors' License Fund as the Contractors License Fund. The bill would delete the provision establishing the Contractors' Deposit Fund, and would therefore require those service fees to be deposited in the Contractors License Fund. By authorizing a new source of revenue to be deposited into a continuously appropriated fund, the bill would make an appropriation.

Existing law authorizes a licensee who is subject to a bonding provision under the law, in lieu of giving a bond, to deposit money or a cashier's check with the registrar of contractors.

This bill would prohibit the deposit from being released if the board is notified of a civil action against the deposit and, if the amount of the deposit is insufficient to pay all claims, would require the deposit to be distributed to claimants in proportion to the amount of the claims.

Existing law authorizes the registrar of contractors to grant the retroactive renewal of a license if, within 90 days from the due date, the licensee requests the retroactive renewal in a petition to the registrar, shows that the failure to renew was due to circumstances beyond their control, files an application for renewal on a form prescribed by the registrar, and pays the appropriate renewal and delinquency fees.

This bill, instead, would require the registrar to grant the retroactive renewal of a license if, within 90 days of the expiration of the license, the otherwise eligible licensee submits a completed application for renewal and pays the renewal and delinquency fees. The bill would delete the requirement that the licensee demonstrate that the delay was due to circumstances beyond the licensee's control, and would deem

an application for renewal submitted for purposes of these provisions if it is delivered to the board's headquarters or postmarked within 90 days of the expiration of the license.

(2) Existing law, the Chiropractic Act, enacted by an initiative measure, provides for the licensure and regulation of chiropractors in this state by the State Board of Chiropractic Examiners. Existing law requires that the powers and duties of the board, as provided, be subject to review by the appropriate policy committees of the Legislature as if that act were scheduled to be repealed on January 1, 2022.

This bill would require that the powers and duties of the board, as provided, be subject to review by the appropriate policy committees of the Legislature as if that act were scheduled to be repealed on January 1, 2023.

(2)

(3) Existing law authorizes the State Board of Chiropractic Examiners and the Osteopathic Medical Board of California and any board within the Department of Consumer Affairs to issue a citation that may contain an order of abatement or an order to pay an administrative fine, and provides that a failure to pay a fine within 30 days of the date of assessment may result in disciplinary action.

This bill would also make a failure to comply with the order of abatement within 30 days of the date of the order subject to disciplinary action.

(4) Existing law provides for the licensure, registration, and regulation of clinical laboratories and various clinical laboratory personnel by the State Department of Public Health. Existing law requires a clinical laboratory test or examination classified as waived under the federal Clinical Laboratory Improvement Amendments of 1988 (CLIA) to be performed under the overall operation and administration of a laboratory director, which is defined to include certain licensees.

This bill would expand the definition of "laboratory director" to include licensed dentists.

(5) Existing law, the Dental Practice Act, provides for the licensure and regulation of the practice of dentistry by the Dental Board of California in the Department of Consumer Affairs. Existing law requires an applicant for licensure to have taken and received a passing score on either a clinical and written examination administered by the Western Regional Examining Board or a clinical and written examination

developed by the American Board of Dental Examiners, Inc., as specified.

This bill, until January 1, 2025, would specify that an applicant who received a passing score on an examination administered by the Western Regional Examining Board between January 1, 2015, to December 31, 2019, inclusive, shall be deemed to satisfy the examination requirement, as specified.

~~(3)~~

(6) Existing law provides for the licensure and regulation of registered dental hygienists by the Dental Hygiene Board of California. Existing law authorizes a registered dental hygienist to perform a procedure or provide a service within the scope of their practice under the appropriate level of supervision, as specified.

This bill would also require a registered dental hygienist to have completed the appropriate education and training required to perform the procedure or provide the service.

Existing law requires a person to have satisfactorily completed a specified examination within the preceding 2 years as a condition of licensure as a registered dental hygienist.

This bill would instead require completion of the dental hygiene examination within the preceding 3 years.

Existing law requires a person, as a condition for licensure as a registered dental hygienist in alternative practice, to successfully complete a bachelor's degree or its equivalent from an accredited college or institution of higher education, among other requirements.

This bill would specify that the equivalent of a bachelor's degree is recognized as a minimum of 120 semester credit hours or 180 quarter credit hours in postsecondary education.

~~(4)~~

(7) Existing law, the Medical Practice Act, provides for the licensure and regulation of physicians and surgeons by the Medical Board of California, and requires an applicant for a physician's and surgeon's license who has completed 36 months of approved postgraduate training in another state or Canada and who is accepted into an approved postgraduate training in another state or Canada and who is accepted into an approved postgraduate training program in California to obtain their physician's and surgeon's license within 90 days after beginning the postgraduate training program.

This bill would delete the requirement that the person be accepted into an approved postgraduate training in another state or Canada.

Existing law authorizes the Medical Board of California, in its discretion, to waive certain examination and certification requirements for licensure for a graduate of a foreign medical school who holds a certificate of registration issued by the board to practice medicine as a full-time faculty member at a medical school.

This bill would also authorize the board to accept clinical practice in an appointment as qualifying time to meet specified postgraduate training requirements for licensure for those registrants.

Existing law authorizes the Medical Board of California, upon and review and recommendation, to determine that an applicant for a physician and surgeon's certificate has satisfied the medical education and examination requirements for an applicant who holds an unlimited and unrestricted license as a physician and surgeon in another state and has held the license continuously for a minimum of 4 years, subject to satisfaction of specified requirements.

This bill would also require the applicant to meet specified postgraduate training requirements.

(5)

(8) Existing law, the Architects Practice Act, provides for the licensure and regulation of architects by the California Architects Board. Existing law requires the board to issue a retired license to an architect who meets specified requirements, and also provides for the restoration of a retired license to active status upon satisfaction of specified requirements applicable to licenses that are not renewed within 5 years of its expiration.

This bill would also authorize the restoration of a retired license to active status upon satisfaction of specified requirements applicable to licenses that are renewed within 5 years of its expiration.

(6)

(9) Existing law provides for the licensure and regulation of landscape architects by the California Architects Board and the Landscape Architects Technical Committee of the California Architects Board.

This bill would authorize the board to obtain and review criminal offender record information and would require an applicant, as a condition of licensure, to furnish to the Department of Justice a full set of fingerprints for the purpose of conducting a criminal history record check and criminal offender record information search. The bill would require the applicant to pay the reasonable regulatory costs for furnishing the fingerprints and conducting the searches, and would require the applicant to certify, under penalty of perjury, whether the applicant's

fingerprints have been furnished to the Department of Justice. By expanding the crime of perjury, the bill would impose a state-mandated local program.

(7)

(10) Existing law provides for the January 1, 2021, repeal of provisions creating the Podiatric Medical Board of California, the Board of Vocational Nursing and Psychiatric Technicians of the State of California, the Board of Psychology, the Physician Assistant Board, the California State Board of Pharmacy, the Veterinary Medical Board, the Board of Behavioral Sciences, and the State Board of Barbering and Cosmetology.

This bill would extend the operation of those provisions to January 1, 2022, and make conforming changes relating to the appointment of an executive officer, as applicable.

(11) *Existing law provides for the January 1, 2022, repeal of provisions regulating naturopathic medicine and interior design and provisions creating the California Board of Occupational Therapy, the Physical Therapy Board of California, the Respiratory Care Board of California, and the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.*

This bill would extend the operation of those provisions to January 1, 2023, and make conforming changes relating to the appointment of an executive officer, as applicable.

(8)

(12) Existing law, the Massage Therapy Act, until January 1, 2021, provides for the certification and regulation of massage therapists by the California Massage Therapy Council.

This bill would extend the operation of the Massage Therapy Act to January 1, 2022, and make conforming changes relating to massage therapist certification requirements.

(13) *Existing law, the Private Investigator Act, provides for the licensure and regulation of private investigators by the Bureau of Security and Investigative Services. Existing law, until January 1, 2021, authorizes the bureau to issue a private investigator license to a limited liability company. A violation of the act is a crime.*

This bill would extend that date to January 1, 2024. By extending the operation of these provisions, the bill would impose a state-mandated local program.

(9)

(14) Existing law, the Real Estate Law, provides for the licensure and regulation of real estate brokers by the Real Estate Commissioner, the chief officer of the Department of Real Estate within the Business, Consumer Services, and Housing Agency. The Real Estate Law subjects the powers and duties of the department, under specified provisions of law, to review by the appropriate policy committees of the Legislature, performed as if those provisions were scheduled to be repealed as of January 1, 2021.

This bill would extend that date to January 1, 2022.

(10)

(15) Existing law, the Real Estate Appraisers' Licensing and Certification Law, creates a Bureau of Real Estate Appraisers within the Department of Consumer Affairs to administer and enforce that law. The Real Estate Appraisers' Licensing and Certification Law subjects the powers and duties of the bureau to review by the appropriate policy committees of the Legislature, performed as if that law were scheduled to be repealed as of January 1, 2021.

This bill would extend that date to January 1, 2022.

(16) *Existing law regulates the formation and enforcement of contracts, including what constitutes an unlawful contract. Under existing law, a contract is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals.*

Existing law regulates licensees who are subject to the jurisdiction of a state licensing entity, including the State Bar of California, the Department of Real Estate, the Department of Consumer Affairs, or any other state agency that issues a license, certificate, or registration authorizing a person to engage in a business or profession.

This bill would prohibit a contract or proposed contract for the provision of a consumer service by a licensee regulated by a licensing board from including a provision limiting the consumer's ability to file a complaint with that board or to participate in the board's investigation into the licensee. The bill would specify that a waiver of these provisions is contrary to public policy and is void and unenforceable. The bill would provide that a violation of these provisions by a licensee constitutes unprofessional conduct subject to discipline by the licensee's regulatory board.

(11)

(17) Existing law, the California Private Postsecondary Education Act of 2009, until January 1, 2021, provides, among other things, for

student protections and regulatory oversight of private postsecondary institutions in the state, enforced by the Bureau for Private Postsecondary Education within the Department of Consumer Affairs.

This bill would extend the operation of the California Private Postsecondary Education Act of 2009 to January 1, 2022.

~~(12)~~

(18) This bill would make other conforming, technical, and nonsubstantive changes.

~~(13)~~

(19) 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 27 of the Business and Professions Code
 2 is amended to read:
 3 27. (a) Each entity specified in subdivisions (c), (d), and (e)
 4 shall provide on the internet information regarding the status of
 5 every license issued by that entity in accordance with the California
 6 Public Records Act (Chapter 3.5 (commencing with Section 6250)
 7 of Division 7 of Title 1 of the Government Code) and the
 8 Information Practices Act of 1977 (Chapter 1 (commencing with
 9 Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).
 10 The public information to be provided on the internet shall include
 11 information on suspensions and revocations of licenses issued by
 12 the entity and other related enforcement action, including
 13 accusations filed pursuant to the Administrative Procedure Act
 14 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
 15 Division 3 of Title 2 of the Government Code) taken by the entity
 16 relative to persons, businesses, or facilities subject to licensure or
 17 regulation by the entity. The information may not include personal
 18 information, including home telephone number, date of birth, or
 19 social security number. Each entity shall disclose a licensee’s
 20 address of record. However, each entity shall allow a licensee to
 21 provide a post office box number or other alternate address, instead

1 of the licensee’s home address, as the address of record. This
2 section shall not preclude an entity from also requiring a licensee,
3 who has provided a post office box number or other alternative
4 mailing address as the licensee’s address of record, to provide a
5 physical business address or residence address only for the entity’s
6 internal administrative use and not for disclosure as the licensee’s
7 address of record or disclosure on the internet.

8 (b) In providing information on the internet, each entity specified
9 in subdivisions (c) and (d) shall comply with the Department of
10 Consumer Affairs’ guidelines for access to public records.

11 (c) Each of the following entities within the Department of
12 Consumer Affairs shall comply with the requirements of this
13 section:

14 (1) The Board for Professional Engineers, Land Surveyors, and
15 Geologists shall disclose information on its registrants and
16 licensees.

17 (2) The Bureau of Automotive Repair shall disclose information
18 on its licensees, including auto repair dealers, smog stations, lamp
19 and brake stations, smog check technicians, and smog inspection
20 certification stations.

21 (3) The Bureau of Household Goods and Services shall disclose
22 information on its licensees and registrants, including major
23 appliance repair dealers, combination dealers (electronic and
24 appliance), electronic repair dealers, service contract sellers, service
25 contract administrators, and household movers.

26 (4) The Cemetery and Funeral Bureau shall disclose information
27 on its licensees, including cemetery brokers, cemetery salespersons,
28 cemetery managers, crematory managers, cemetery authorities,
29 crematories, cremated remains disposers, embalmers, funeral
30 establishments, and funeral directors.

31 (5) The Professional Fiduciaries Bureau shall disclose
32 information on its licensees.

33 (6) The Contractors State License Board shall disclose
34 information on its licensees and registrants in accordance with
35 Chapter 9 (commencing with Section 7000) of Division 3. In
36 addition to information related to licenses as specified in
37 subdivision (a), the board shall also disclose information provided
38 to the board by the Labor Commissioner pursuant to Section 98.9
39 of the Labor Code.

1 (7) The Bureau for Private Postsecondary Education shall
2 disclose information on private postsecondary institutions under
3 its jurisdiction, including disclosure of notices to comply issued
4 pursuant to Section 94935 of the Education Code.

5 (8) The California Board of Accountancy shall disclose
6 information on its licensees and registrants.

7 (9) The California Architects Board shall disclose information
8 on its licensees, including architects and landscape architects.

9 (10) The State Athletic Commission shall disclose information
10 on its licensees and registrants.

11 (11) The State Board of Barbering and Cosmetology shall
12 disclose information on its licensees.

13 (12) The Acupuncture Board shall disclose information on its
14 licensees.

15 (13) The Board of Behavioral Sciences shall disclose
16 information on its licensees and registrants.

17 (14) The Dental Board of California shall disclose information
18 on its licensees.

19 (15) The State Board of Optometry shall disclose information
20 on its licensees and registrants.

21 (16) The Board of Psychology shall disclose information on its
22 licensees, including psychologists, psychological assistants, and
23 registered psychologists.

24 (17) The Veterinary Medical Board shall disclose information
25 on its licensees, registrants, and permit holders.

26 (d) The State Board of Chiropractic Examiners shall disclose
27 information on its licensees.

28 (e) The Structural Pest Control Board shall disclose information
29 on its licensees, including applicators, field representatives, and
30 operators in the areas of fumigation, general pest and wood
31 destroying pests and organisms, and wood roof cleaning and
32 treatment.

33 (f) The Bureau of Cannabis Control shall disclose information
34 on its licensees.

35 (g) “Internet” for the purposes of this section has the meaning
36 set forth in paragraph (6) of subdivision (f) of Section 17538.

37 SEC. 2. Section 101 of the Business and Professions Code is
38 amended to read:

39 101. The department is comprised of the following:

40 (a) The Dental Board of California.

- 1 (b) The Medical Board of California.
- 2 (c) The State Board of Optometry.
- 3 (d) The California State Board of Pharmacy.
- 4 (e) The Veterinary Medical Board.
- 5 (f) The California Board of Accountancy.
- 6 (g) The California Architects Board.
- 7 (h) The State Board of Barbering and Cosmetology.
- 8 (i) The Board for Professional Engineers, Land Surveyors, and
- 9 Geologists.
- 10 (j) The Contractors State License Board.
- 11 (k) The Bureau for Private Postsecondary Education.
- 12 (l) The Bureau of Household Goods and Services.
- 13 (m) The Board of Registered Nursing.
- 14 (n) The Board of Behavioral Sciences.
- 15 (o) The State Athletic Commission.
- 16 (p) The Cemetery and Funeral Bureau.
- 17 (q) The Bureau of Security and Investigative Services.
- 18 (r) The Court Reporters Board of California.
- 19 (s) The Board of Vocational Nursing and Psychiatric
- 20 Technicians.
- 21 (t) The Landscape Architects Technical Committee.
- 22 (u) The Division of Investigation.
- 23 (v) The Bureau of Automotive Repair.
- 24 (w) The Respiratory Care Board of California.
- 25 (x) The Acupuncture Board.
- 26 (y) The Board of Psychology.
- 27 (z) The Podiatric Medical Board of California.
- 28 (aa) The Physical Therapy Board of California.
- 29 (ab) The Arbitration Review Program.
- 30 (ac) The Physician Assistant Board.
- 31 (ad) The Speech-Language Pathology and Audiology and
- 32 Hearing Aid Dispensers Board.
- 33 (ae) The California Board of Occupational Therapy.
- 34 (af) The Osteopathic Medical Board of California.
- 35 (ag) The Naturopathic Medicine Committee.
- 36 (ah) The Dental Hygiene Board of California.
- 37 (ai) The Professional Fiduciaries Bureau.
- 38 (aj) The State Board of Chiropractic Examiners.
- 39 (ak) The Bureau of Real Estate Appraisers.
- 40 (al) The Structural Pest Control Board.

1 (am) The Bureau of Cannabis Control.
2 (an) Any other boards, offices, or officers subject to its
3 jurisdiction by law.

4 (ao) This section shall become operative on July 1, 2018.

5 SEC. 3. Section 125.9 of the Business and Professions Code
6 is amended to read:

7 125.9. (a) Except with respect to persons regulated under
8 Chapter 11 (commencing with Section 7500), any board, bureau,
9 or commission within the department, the State Board of
10 Chiropractic Examiners, and the Osteopathic Medical Board of
11 California, may establish, by regulation, a system for the issuance
12 to a licensee of a citation which may contain an order of abatement
13 or an order to pay an administrative fine assessed by the board,
14 bureau, or commission where the licensee is in violation of the
15 applicable licensing act or any regulation adopted pursuant thereto.

16 (b) The system shall contain the following provisions:

17 (1) Citations shall be in writing and shall describe with
18 particularity the nature of the violation, including specific reference
19 to the provision of law determined to have been violated.

20 (2) Whenever appropriate, the citation shall contain an order of
21 abatement fixing a reasonable time for abatement of the violation.

22 (3) In no event shall the administrative fine assessed by the
23 board, bureau, or commission exceed five thousand dollars (\$5,000)
24 for each inspection or each investigation made with respect to the
25 violation, or five thousand dollars (\$5,000) for each violation or
26 count if the violation involves fraudulent billing submitted to an
27 insurance company, the Medi-Cal program, or Medicare. In
28 assessing a fine, the board, bureau, or commission shall give due
29 consideration to the appropriateness of the amount of the fine with
30 respect to factors such as the gravity of the violation, the good
31 faith of the licensee, and the history of previous violations.

32 (4) A citation or fine assessment issued pursuant to a citation
33 shall inform the licensee that if the licensee desires a hearing to
34 contest the finding of a violation, that hearing shall be requested
35 by written notice to the board, bureau, or commission within 30
36 days of the date of issuance of the citation or assessment. If a
37 hearing is not requested pursuant to this section, payment of any
38 fine shall not constitute an admission of the violation charged.
39 Hearings shall be held pursuant to Chapter 5 (commencing with

1 Section 11500) of Part 1 of Division 3 of Title 2 of the Government
2 Code.

3 (5) Failure of a licensee to pay a fine or comply with an order
4 of abatement, or both, within 30 days of the date of assessment or
5 order, unless the citation is being appealed, may result in
6 disciplinary action being taken by the board, bureau, or
7 commission. Where a citation is not contested and a fine is not
8 paid, the full amount of the assessed fine shall be added to the fee
9 for renewal of the license. A license shall not be renewed without
10 payment of the renewal fee and fine.

11 (c) The system may contain the following provisions:

12 (1) A citation may be issued without the assessment of an
13 administrative fine.

14 (2) Assessment of administrative fines may be limited to only
15 particular violations of the applicable licensing act.

16 (d) Notwithstanding any other provision of law, if a fine is paid
17 to satisfy an assessment based on the finding of a violation,
18 payment of the fine and compliance with the order of abatement,
19 if applicable, shall be represented as satisfactory resolution of the
20 matter for purposes of public disclosure.

21 (e) Administrative fines collected pursuant to this section shall
22 be deposited in the special fund of the particular board, bureau, or
23 commission.

24 SEC. 4. Section 130 of the Business and Professions Code is
25 amended to read:

26 130. (a) Notwithstanding any other law, the term of office of
27 any member of an agency designated in subdivision (b) shall be
28 for a term of four years expiring on June 1.

29 (b) Subdivision (a) applies to the following boards or
30 committees:

31 (1) The Medical Board of California.

32 (2) The Podiatric Medical Board of California.

33 (3) The Physical Therapy Board of California.

34 (4) The Board of Registered Nursing, except as provided in
35 subdivision (c) of Section 2703.

36 (5) The Board of Vocational Nursing and Psychiatric
37 Technicians.

38 (6) The State Board of Optometry.

39 (7) The California State Board of Pharmacy.

40 (8) The Veterinary Medical Board.

- 1 (9) The California Architects Board.
- 2 (10) The Landscape Architect Technical Committee.
- 3 (11) The Board for Professional Engineers and Land Surveyors.
- 4 (12) The Contractors State License Board.
- 5 (13) The Board of Behavioral Sciences.
- 6 (14) The Court Reporters Board of California.
- 7 (15) The State Athletic Commission.
- 8 (16) The Osteopathic Medical Board of California.
- 9 (17) The Respiratory Care Board of California.
- 10 (18) The Acupuncture Board.
- 11 (19) The Board of Psychology.
- 12 (20) The Structural Pest Control Board.

13 SEC. 5. Section 144 of the Business and Professions Code is
 14 amended to read:

15 144. (a) Notwithstanding any other law, an agency designated
 16 in subdivision (b) shall require an applicant to furnish to the agency
 17 a full set of fingerprints for purposes of conducting criminal history
 18 record checks. Any agency designated in subdivision (b) may
 19 obtain and receive, at its discretion, criminal history information
 20 from the Department of Justice and the United States Federal
 21 Bureau of Investigation.

22 (b) Subdivision (a) applies to the following:

- 23 (1) California Board of Accountancy.
- 24 (2) State Athletic Commission.
- 25 (3) Board of Behavioral Sciences.
- 26 (4) Court Reporters Board of California.
- 27 (5) Dental Board of California.
- 28 (6) California State Board of Pharmacy.
- 29 (7) Board of Registered Nursing.
- 30 (8) Veterinary Medical Board.
- 31 (9) Board of Vocational Nursing and Psychiatric Technicians.
- 32 (10) Respiratory Care Board of California.
- 33 (11) Physical Therapy Board of California.
- 34 (12) Physician Assistant Committee.
- 35 (13) Speech-Language Pathology and Audiology and Hearing
 36 Aid Dispensers Board.
- 37 (14) Medical Board of California.
- 38 (15) State Board of Optometry.
- 39 (16) Acupuncture Board.
- 40 (17) Cemetery and Funeral Bureau.

- 1 (18) Bureau of Security and Investigative Services.
- 2 (19) Division of Investigation.
- 3 (20) Board of Psychology.
- 4 (21) California Board of Occupational Therapy.
- 5 (22) Structural Pest Control Board.
- 6 (23) Contractors State License Board.
- 7 (24) Naturopathic Medicine Committee.
- 8 (25) Professional Fiduciaries Bureau.
- 9 (26) Board for Professional Engineers, Land Surveyors, and
- 10 Geologists.
- 11 (27) Bureau of Cannabis Control.
- 12 (28) Podiatric Medical Board of California.
- 13 (29) Osteopathic Medical Board of California.
- 14 (30) California Architects Board, beginning January 1, 2021.
- 15 (31) Landscape Architects Technical Committee, beginning
- 16 January 1, 2021.
- 17 (c) For purposes of paragraph (26) of subdivision (b), the term
- 18 “applicant” shall be limited to an initial applicant who has never
- 19 been registered or licensed by the board or to an applicant for a
- 20 new licensure or registration category.
- 21 SEC. 6. Section 200.1 of the Business and Professions Code
- 22 is amended to read:
- 23 200.1. (a) Any accruals that occur on or after September 11,
- 24 1993, to any funds or accounts within the Professions and
- 25 Vocations Fund that realize increased revenues to that fund or
- 26 account as a result of legislation enacted on or after September 11,
- 27 1993, and that have not been transferred pursuant to Sections 13.50,
- 28 13.60, and 13.70 of the Budget Act of 1993 on the effective date
- 29 of the act that enacted this section, shall be exempt from the
- 30 transfers contained in Sections 13.50, 13.60, and 13.70 of the
- 31 Budget Act of 1993. These funds shall include, but not be limited
- 32 to, all of the following:
- 33 (1) Athletic Commission Fund.
- 34 (2) Bureau of Home Furnishings and Thermal Insulation Fund.
- 35 (3) Contractors License Fund.
- 36 (4) Private Investigator Fund.
- 37 (5) Respiratory Care Fund.
- 38 (6) Vocational Nursing and Psychiatric Technicians Fund.
- 39 (b) Subdivision (a) shall not apply to the Contingent Fund of
- 40 the Medical Board of California.

1 SEC. 7. Section 205 of the Business and Professions Code, as
2 amended by Section 2 of Chapter 865 of the Statutes of 2019, is
3 amended to read:

4 205. (a) There is in the State Treasury the Professions and
5 Vocations Fund. The fund shall consist of the following special
6 funds:

- 7 (1) Accountancy Fund.
- 8 (2) California Architects Board Fund.
- 9 (3) Athletic Commission Fund.
- 10 (4) Barbering and Cosmetology Contingent Fund.
- 11 (5) Cemetery and Funeral Fund.
- 12 (6) Contractors License Fund.
- 13 (7) State Dentistry Fund.
- 14 (8) Home Furnishings and Thermal Insulation Fund.
- 15 (9) California Architects Board-Landscape Architects Fund.
- 16 (10) Contingent Fund of the Medical Board of California.
- 17 (11) Optometry Fund.
- 18 (12) Pharmacy Board Contingent Fund.
- 19 (13) Physical Therapy Fund.
- 20 (14) Private Investigator Fund.
- 21 (15) Private Security Services Fund.
- 22 (16) Professional Engineer's, Land Surveyor's, and Geologist's
23 Fund.
- 24 (17) Consumer Affairs Fund.
- 25 (18) Behavioral Sciences Fund.
- 26 (19) Licensed Midwifery Fund.
- 27 (20) Court Reporters' Fund.
- 28 (21) Veterinary Medical Board Contingent Fund.
- 29 (22) Vocational Nursing and Psychiatric Technicians Fund.
- 30 (23) Electronic and Appliance Repair Fund.
- 31 (24) Dispensing Opticians Fund.
- 32 (25) Acupuncture Fund.
- 33 (26) Physician Assistant Fund.
- 34 (27) Board of Podiatric Medicine Fund.
- 35 (28) Psychology Fund.
- 36 (29) Respiratory Care Fund.
- 37 (30) Speech-Language Pathology and Audiology and Hearing
38 Aid Dispensers Fund.
- 39 (31) Board of Registered Nursing Fund.
- 40 (32) Animal Health Technician Examining Committee Fund.

- 1 (33) State Dental Hygiene Fund.
- 2 (34) State Dental Assistant Fund.
- 3 (35) Structural Pest Control Fund.
- 4 (36) Structural Pest Control Eradication and Enforcement Fund.
- 5 (37) Structural Pest Control Research Fund.
- 6 (38) Household Movers Fund.

7 (b) For accounting and recordkeeping purposes, the Professions
8 and Vocations Fund shall be deemed to be a single special fund,
9 and each of the several special funds therein shall constitute and
10 be deemed to be a separate account in the Professions and
11 Vocations Fund. Each account or fund shall be available for
12 expenditure only for the purposes as are now or may hereafter be
13 provided by law.

14 (c) This section shall be repealed on July 1, 2022.

15 SEC. 8. Section 205 of the Business and Professions Code, as
16 added by Section 3 of Chapter 865 of the Statutes of 2019, is
17 amended to read:

18 205. (a) There is in the State Treasury the Professions and
19 Vocations Fund. The fund shall consist of the following special
20 funds:

- 21 (1) Accountancy Fund.
- 22 (2) California Architects Board Fund.
- 23 (3) Athletic Commission Fund.
- 24 (4) Barbering and Cosmetology Contingent Fund.
- 25 (5) Cemetery and Funeral Fund.
- 26 (6) Contractors License Fund.
- 27 (7) State Dentistry Fund.
- 28 (8) Home Furnishings and Thermal Insulation Fund.
- 29 (9) California Architects Board-Landscape Architects Fund.
- 30 (10) Contingent Fund of the Medical Board of California.
- 31 (11) Optometry Fund.
- 32 (12) Pharmacy Board Contingent Fund.
- 33 (13) Physical Therapy Fund.
- 34 (14) Private Investigator Fund.
- 35 (15) Private Security Services Fund.
- 36 (16) Professional Engineer's, Land Surveyor's, and Geologist's
37 Fund.
- 38 (17) Consumer Affairs Fund.
- 39 (18) Behavioral Sciences Fund.
- 40 (19) Licensed Midwifery Fund.

- 1 (20) Court Reporters' Fund.
- 2 (21) Veterinary Medical Board Contingent Fund.
- 3 (22) Vocational Nursing and Psychiatric Technicians Fund.
- 4 (23) Electronic and Appliance Repair Fund.
- 5 (24) Dispensing Opticians Fund.
- 6 (25) Acupuncture Fund.
- 7 (26) Physician Assistant Fund.
- 8 (27) Board of Podiatric Medicine Fund.
- 9 (28) Psychology Fund.
- 10 (29) Respiratory Care Fund.
- 11 (30) Speech-Language Pathology and Audiology and Hearing
- 12 Aid Dispensers Fund.
- 13 (31) Board of Registered Nursing Fund.
- 14 (32) Animal Health Technician Examining Committee Fund.
- 15 (33) State Dental Hygiene Fund.
- 16 (34) Structural Pest Control Fund.
- 17 (35) Structural Pest Control Eradication and Enforcement Fund.
- 18 (36) Structural Pest Control Research Fund.
- 19 (37) Household Movers Fund.

20 (b) For accounting and recordkeeping purposes, the Professions
21 and Vocations Fund shall be deemed to be a single special fund,
22 and each of the several special funds therein shall constitute and
23 be deemed to be a separate account in the Professions and
24 Vocations Fund. Each account or fund shall be available for
25 expenditure only for the purposes as are now or may hereafter be
26 provided by law.

27 (c) This section shall become operative on July 1, 2022.

28 SEC. 9. Section 494.5 of the Business and Professions Code
29 is amended to read:

30 494.5. (a) (1) Except as provided in paragraphs (2), (3), and
31 (4), a state governmental licensing entity shall refuse to issue,
32 reactivate, reinstate, or renew a license and shall suspend a license
33 if a licensee's name is included on a certified list.

34 (2) The Department of Motor Vehicles shall suspend a license
35 if a licensee's name is included on a certified list. Any reference
36 in this section to the issuance, reactivation, reinstatement, renewal,
37 or denial of a license shall not apply to the Department of Motor
38 Vehicles.

39 (3) The State Bar of California may recommend to refuse to
40 issue, reactivate, reinstate, or renew a license and may recommend

1 to suspend a license if a licensee’s name is included on a certified
2 list. The word “may” shall be substituted for the word “shall”
3 relating to the issuance of a temporary license, refusal to issue,
4 reactivate, reinstate, renew, or suspend a license in this section for
5 licenses under the jurisdiction of the California Supreme Court.

6 (4) The Department of Alcoholic Beverage Control may refuse
7 to issue, reactivate, reinstate, or renew a license, and may suspend
8 a license, if a licensee’s name is included on a certified list.

9 (b) For purposes of this section:

10 (1) “Certified list” means either the list provided by the State
11 Board of Equalization or the list provided by the Franchise Tax
12 Board of persons whose names appear on the lists of the 500 largest
13 tax delinquencies pursuant to Section 7063 or 19195 of the
14 Revenue and Taxation Code, as applicable.

15 (2) “License” includes a certificate, registration, or any other
16 authorization to engage in a profession or occupation issued by a
17 state governmental licensing entity. “License” includes a driver’s
18 license issued pursuant to Chapter 1 (commencing with Section
19 12500) of Division 6 of the Vehicle Code. “License” excludes a
20 vehicle registration issued pursuant to Division 3 (commencing
21 with Section 4000) of the Vehicle Code.

22 (3) “Licensee” means an individual authorized by a license to
23 drive a motor vehicle or authorized by a license, certificate,
24 registration, or other authorization to engage in a profession or
25 occupation issued by a state governmental licensing entity.

26 (4) “State governmental licensing entity” means any entity listed
27 in Section 101, 1000, or 19420, the office of the Attorney General,
28 the Department of Insurance, the Department of Motor Vehicles,
29 the State Bar of California, the Department of Real Estate, and
30 any other state agency, board, or commission that issues a license,
31 certificate, or registration authorizing an individual to engage in
32 a profession or occupation, including any certificate, business or
33 occupational license, or permit or license issued by the Department
34 of Motor Vehicles or the Department of the California Highway
35 Patrol. “State governmental licensing entity” shall not include the
36 Contractors State License Board.

37 (c) The State Board of Equalization and the Franchise Tax Board
38 shall each submit its respective certified list to every state
39 governmental licensing entity. The certified lists shall include the
40 name, social security number or taxpayer identification number,

1 and the last known address of the persons identified on the certified
2 lists.

3 (d) Notwithstanding any other law, each state governmental
4 licensing entity shall collect the social security number or the
5 federal taxpayer identification number from all applicants for the
6 purposes of matching the names of the certified lists provided by
7 the State Board of Equalization and the Franchise Tax Board to
8 applicants and licensees.

9 (e) (1) Each state governmental licensing entity shall determine
10 whether an applicant or licensee is on the most recent certified list
11 provided by the State Board of Equalization and the Franchise Tax
12 Board.

13 (2) If an applicant or licensee is on either of the certified lists,
14 the state governmental licensing entity shall immediately provide
15 a preliminary notice to the applicant or licensee of the entity's
16 intent to suspend or withhold issuance or renewal of the license.
17 The preliminary notice shall be delivered personally or by mail to
18 the applicant's or licensee's last known mailing address on file
19 with the state governmental licensing entity within 30 days of
20 receipt of the certified list. Service by mail shall be completed in
21 accordance with Section 1013 of the Code of Civil Procedure.

22 (A) The state governmental licensing entity shall issue a
23 temporary license valid for a period of 90 days to any applicant
24 whose name is on a certified list if the applicant is otherwise
25 eligible for a license.

26 (B) The 90-day time period for a temporary license shall not be
27 extended. Only one temporary license shall be issued during a
28 regular license term and the term of the temporary license shall
29 coincide with the first 90 days of the regular license term. A license
30 for the full term or the remainder of the license term may be issued
31 or renewed only upon compliance with this section.

32 (C) In the event that a license is suspended or an application for
33 a license or the renewal of a license is denied pursuant to this
34 section, any funds paid by the applicant or licensee shall not be
35 refunded by the state governmental licensing entity.

36 (f) (1) A state governmental licensing entity shall refuse to
37 issue or shall suspend a license pursuant to this section no sooner
38 than 90 days and no later than 120 days of the mailing of the
39 preliminary notice described in paragraph (2) of subdivision (e),
40 unless the state governmental licensing entity has received a release

1 pursuant to subdivision (h). The procedures in the administrative
2 adjudication provisions of the Administrative Procedure Act
3 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
4 (commencing with Section 11500) of Part 1 of Division 3 of Title
5 2 of the Government Code) shall not apply to the denial or
6 suspension of, or refusal to renew, a license or the issuance of a
7 temporary license pursuant to this section.

8 (2) Notwithstanding any other law, if a board, bureau, or
9 commission listed in Section 101, other than the Contractors State
10 License Board, fails to take action in accordance with this section,
11 the Department of Consumer Affairs shall issue a temporary license
12 or suspend or refuse to issue, reactivate, reinstate, or renew a
13 license, as appropriate.

14 (g) Notices shall be developed by each state governmental
15 licensing entity. For an applicant or licensee on the State Board
16 of Equalization's certified list, the notice shall include the address
17 and telephone number of the State Board of Equalization, and shall
18 emphasize the necessity of obtaining a release from the State Board
19 of Equalization as a condition for the issuance, renewal, or
20 continued valid status of a license or licenses. For an applicant or
21 licensee on the Franchise Tax Board's certified list, the notice shall
22 include the address and telephone number of the Franchise Tax
23 Board, and shall emphasize the necessity of obtaining a release
24 from the Franchise Tax Board as a condition for the issuance,
25 renewal, or continued valid status of a license or licenses.

26 (1) The notice shall inform the applicant that the state
27 governmental licensing entity shall issue a temporary license, as
28 provided in subparagraph (A) of paragraph (2) of subdivision (e),
29 for 90 calendar days if the applicant is otherwise eligible and that
30 upon expiration of that time period, the license will be denied
31 unless the state governmental licensing entity has received a release
32 from the State Board of Equalization or the Franchise Tax Board,
33 whichever is applicable.

34 (2) The notice shall inform the licensee that any license
35 suspended under this section will remain suspended until the state
36 governmental licensing entity receives a release along with
37 applications and fees, if applicable, to reinstate the license.

38 (3) The notice shall also inform the applicant or licensee that if
39 an application is denied or a license is suspended pursuant to this
40 section, any moneys paid by the applicant or licensee shall not be

1 refunded by the state governmental licensing entity. The state
2 governmental licensing entity shall also develop a form that the
3 applicant or licensee shall use to request a release by the State
4 Board of Equalization or the Franchise Tax Board. A copy of this
5 form shall be included with every notice sent pursuant to this
6 subdivision.

7 (h) If the applicant or licensee wishes to challenge the
8 submission of their name on a certified list, the applicant or licensee
9 shall make a timely written request for release to the State Board
10 of Equalization or the Franchise Tax Board, whichever is
11 applicable. The State Board of Equalization or the Franchise Tax
12 Board shall immediately send a release to the appropriate state
13 governmental licensing entity and the applicant or licensee, if any
14 of the following conditions are met:

15 (1) The applicant or licensee has complied with the tax
16 obligation, either by payment of the unpaid taxes or entry into an
17 installment payment agreement, as described in Section 6832 or
18 19008 of the Revenue and Taxation Code, to satisfy the unpaid
19 taxes.

20 (2) The applicant or licensee has submitted a request for release
21 not later than 45 days after the applicant's or licensee's receipt of
22 a preliminary notice described in paragraph (2) of subdivision (e),
23 but the State Board of Equalization or the Franchise Tax Board,
24 whichever is applicable, will be unable to complete the release
25 review and send notice of its findings to the applicant or licensee
26 and state governmental licensing entity within 45 days after the
27 State Board of Equalization's or the Franchise Tax Board's receipt
28 of the applicant's or licensee's request for release. Whenever a
29 release is granted under this paragraph, and, notwithstanding that
30 release, the applicable license or licenses have been suspended
31 erroneously, the state governmental licensing entity shall reinstate
32 the applicable licenses with retroactive effect back to the date of
33 the erroneous suspension and that suspension shall not be reflected
34 on any license record.

35 (3) The applicant or licensee is unable to pay the outstanding
36 tax obligation due to a current financial hardship. "Financial
37 hardship" means financial hardship as determined by the State
38 Board of Equalization or the Franchise Tax Board, whichever is
39 applicable, where the applicant or licensee is unable to pay any
40 part of the outstanding liability and the applicant or licensee is

1 unable to qualify for an installment payment arrangement as
2 provided for by Section 6832 or Section 19008 of the Revenue
3 and Taxation Code. In order to establish the existence of a financial
4 hardship, the applicant or licensee shall submit any information,
5 including information related to reasonable business and personal
6 expenses, requested by the State Board of Equalization or the
7 Franchise Tax Board, whichever is applicable, for purposes of
8 making that determination.

9 (i) An applicant or licensee is required to act with diligence in
10 responding to notices from the state governmental licensing entity
11 and the State Board of Equalization or the Franchise Tax Board
12 with the recognition that the temporary license will lapse or the
13 license suspension will go into effect after 90 days and that the
14 State Board of Equalization or the Franchise Tax Board must have
15 time to act within that period. An applicant's or licensee's delay
16 in acting, without good cause, which directly results in the inability
17 of the State Board of Equalization or the Franchise Tax Board,
18 whichever is applicable, to complete a review of the applicant's
19 or licensee's request for release shall not constitute the diligence
20 required under this section which would justify the issuance of a
21 release. An applicant or licensee shall have the burden of
22 establishing that they diligently responded to notices from the state
23 governmental licensing entity or the State Board of Equalization
24 or the Franchise Tax Board and that any delay was not without
25 good cause.

26 (j) The State Board of Equalization or the Franchise Tax Board
27 shall create release forms for use pursuant to this section. When
28 the applicant or licensee has complied with the tax obligation by
29 payment of the unpaid taxes, or entry into an installment payment
30 agreement, or establishing the existence of a current financial
31 hardship as defined in paragraph (3) of subdivision (h), the State
32 Board of Equalization or the Franchise Tax Board, whichever is
33 applicable, shall mail a release form to the applicant or licensee
34 and provide a release to the appropriate state governmental
35 licensing entity. Any state governmental licensing entity that has
36 received a release from the State Board of Equalization and the
37 Franchise Tax Board pursuant to this subdivision shall process the
38 release within five business days of its receipt. If the State Board
39 of Equalization or the Franchise Tax Board determines subsequent
40 to the issuance of a release that the licensee has not complied with

1 their installment payment agreement, the State Board of
2 Equalization or the Franchise Tax Board, whichever is applicable,
3 shall notify the state governmental licensing entity and the licensee
4 in a format prescribed by the State Board of Equalization or the
5 Franchise Tax Board, whichever is applicable, that the licensee is
6 not in compliance and the release shall be rescinded. The State
7 Board of Equalization and the Franchise Tax Board may, when it
8 is economically feasible for the state governmental licensing entity
9 to develop an automated process for complying with this
10 subdivision, notify the state governmental licensing entity in a
11 manner prescribed by the State Board of Equalization or the
12 Franchise Tax Board, whichever is applicable, that the licensee
13 has not complied with the installment payment agreement. Upon
14 receipt of this notice, the state governmental licensing entity shall
15 immediately notify the licensee on a form prescribed by the state
16 governmental licensing entity that the licensee's license will be
17 suspended on a specific date, and this date shall be no longer than
18 30 days from the date the form is mailed. The licensee shall be
19 further notified that the license will remain suspended until a new
20 release is issued in accordance with this subdivision.

21 (k) The State Board of Equalization and the Franchise Tax Board
22 may enter into interagency agreements with the state governmental
23 licensing entities necessary to implement this section.

24 (l) Notwithstanding any other law, a state governmental
25 licensing entity, with the approval of the appropriate department
26 director or governing body, may impose a fee on a licensee whose
27 license has been suspended pursuant to this section. The fee shall
28 not exceed the amount necessary for the state governmental
29 licensing entity to cover its costs in carrying out the provisions of
30 this section. Fees imposed pursuant to this section shall be
31 deposited in the fund in which other fees imposed by the state
32 governmental licensing entity are deposited and shall be available
33 to that entity upon appropriation in the annual Budget Act.

34 (m) The process described in subdivision (h) shall constitute
35 the sole administrative remedy for contesting the issuance of a
36 temporary license or the denial or suspension of a license under
37 this section.

38 (n) Any state governmental licensing entity receiving an inquiry
39 as to the licensed status of an applicant or licensee who has had a
40 license denied or suspended under this section or who has been

1 granted a temporary license under this section shall respond that
2 the license was denied or suspended or the temporary license was
3 issued only because the licensee appeared on a list of the 500
4 largest tax delinquencies pursuant to Section 7063 or 19195 of the
5 Revenue and Taxation Code. Information collected pursuant to
6 this section by any state agency, board, or department shall be
7 subject to the Information Practices Act of 1977 (Chapter 1
8 (commencing with Section 1798) of Title 1.8 of Part 4 of Division
9 3 of the Civil Code). Any state governmental licensing entity that
10 discloses on its internet website or other publication that the
11 licensee has had a license denied or suspended under this section
12 or has been granted a temporary license under this section shall
13 prominently disclose, in bold and adjacent to the information
14 regarding the status of the license, that the only reason the license
15 was denied, suspended, or temporarily issued is because the
16 licensee failed to pay taxes.

17 (o) Any rules and regulations issued pursuant to this section by
18 any state agency, board, or department may be adopted as
19 emergency regulations in accordance with the rulemaking
20 provisions of the Administrative Procedure Act (Chapter 3.5
21 (commencing with Section 11340) of Part 1 of Division 3 of Title
22 2 of the Government Code). The adoption of these regulations
23 shall be deemed an emergency and necessary for the immediate
24 preservation of the public peace, health, and safety, or general
25 welfare. The regulations shall become effective immediately upon
26 filing with the Secretary of State.

27 (p) The State Board of Equalization, the Franchise Tax Board,
28 and state governmental licensing entities, as appropriate, shall
29 adopt regulations as necessary to implement this section.

30 (q) (1) Neither the state governmental licensing entity, nor any
31 officer, employee, or agent, or former officer, employee, or agent
32 of a state governmental licensing entity, may disclose or use any
33 information obtained from the State Board of Equalization or the
34 Franchise Tax Board, pursuant to this section, except to inform
35 the public of the denial, refusal to renew, or suspension of a license
36 or the issuance of a temporary license pursuant to this section. The
37 release or other use of information received by a state governmental
38 licensing entity pursuant to this section, except as authorized by
39 this section, is punishable as a misdemeanor. This subdivision may
40 not be interpreted to prevent the State Bar of California from filing

1 a request with the Supreme Court of California to suspend a
2 member of the bar pursuant to this section.

3 (2) A suspension of, or refusal to renew, a license or issuance
4 of a temporary license pursuant to this section does not constitute
5 denial or discipline of a licensee for purposes of any reporting
6 requirements to the National Practitioner Data Bank and shall not
7 be reported to the National Practitioner Data Bank or the Healthcare
8 Integrity and Protection Data Bank.

9 (3) Upon release from the certified list, the suspension or
10 revocation of the applicant's or licensee's license shall be purged
11 from the state governmental licensing entity's internet website or
12 other publication within three business days. This paragraph shall
13 not apply to the State Bar of California.

14 (r) If any provision of this section or the application thereof to
15 any person or circumstance is held invalid, that invalidity shall not
16 affect other provisions or applications of this section that can be
17 given effect without the invalid provision or application, and to
18 this end the provisions of this section are severable.

19 (s) All rights to review afforded by this section to an applicant
20 shall also be afforded to a licensee.

21 (t) Unless otherwise provided in this section, the policies,
22 practices, and procedures of a state governmental licensing entity
23 with respect to license suspensions under this section shall be the
24 same as those applicable with respect to suspensions pursuant to
25 Section 17520 of the Family Code.

26 (u) No provision of this section shall be interpreted to allow a
27 court to review and prevent the collection of taxes prior to the
28 payment of those taxes in violation of the California Constitution.

29 (v) This section shall apply to any licensee whose name appears
30 on a list of the 500 largest tax delinquencies pursuant to Section
31 7063 or 19195 of the Revenue and Taxation Code on or after July
32 1, 2012.

33 *SEC. 10. Section 1000 of the Business and Professions Code*
34 *is amended to read:*

35 1000. (a) The law governing practitioners of chiropractic is
36 found in an initiative act entitled "An act prescribing the terms
37 upon which licenses may be issued to practitioners of chiropractic,
38 creating the State Board of Chiropractic Examiners and declaring
39 its powers and duties, prescribing penalties for violation hereof,

1 and repealing all acts and parts of acts inconsistent herewith,”
2 adopted by the electors November 7, 1922.

3 (b) The State Board of Chiropractic Examiners is within the
4 Department of Consumer Affairs.

5 (c) Notwithstanding any other law, the powers and duties of the
6 State Board of Chiropractic Examiners, as set forth in this article
7 and under the act creating the board, shall be subject to review by
8 the appropriate policy committees of the Legislature. The review
9 shall be performed as if this chapter were scheduled to be repealed
10 as of January 1, ~~2022~~: 2023.

11 *SEC. 11. Section 1209 of the Business and Professions Code*
12 *is amended to read:*

13 1209. (a) As used in this chapter, “laboratory director” means
14 any person who is any of the following:

15 (1) A duly licensed physician and surgeon.

16 (2) Only for purposes of a clinical laboratory test or examination
17 classified as waived, is any of the following:

18 (A) A duly licensed clinical laboratory scientist.

19 (B) A duly licensed limited clinical laboratory scientist.

20 (C) A duly licensed naturopathic doctor.

21 (D) A duly licensed optometrist serving as the director of a
22 laboratory that only performs clinical laboratory tests authorized
23 in paragraph (10) of subdivision (d) of Section 3041.

24 (E) *A duly licensed dentist.*

25 (3) Licensed to direct a clinical laboratory under this chapter.

26 (b) (1) A person defined in paragraph (1) or (3) of subdivision
27 (a) who is identified as the CLIA laboratory director of a laboratory
28 that performs clinical laboratory tests classified as moderate or
29 high complexity shall also meet the laboratory director
30 qualifications under CLIA for the type and complexity of tests
31 being offered by the laboratory.

32 (2) As used in this subdivision, “CLIA laboratory director”
33 means the person identified as the laboratory director on the CLIA
34 certificate issued to the laboratory by the federal Centers for
35 Medicare and Medicaid Services (CMS).

36 (c) The laboratory director, if qualified under CLIA, may
37 perform the duties of the technical consultant, technical supervisor,
38 clinical consultant, general supervisor, and testing personnel, or
39 delegate these responsibilities to persons qualified under CLIA.
40 If the laboratory director reappoints performance of those

1 responsibilities or duties, ~~he or she~~ *they* shall remain responsible
2 for ensuring that all those duties and responsibilities are properly
3 performed.

4 (d) (1) The laboratory director is responsible for the overall
5 operation and administration of the clinical laboratory, including
6 administering the technical and scientific operation of a clinical
7 laboratory, the selection and supervision of procedures, the
8 reporting of results, and active participation in its operations to
9 the extent necessary to ensure compliance with this act and CLIA.
10 ~~He or she~~ *They* shall be responsible for the proper performance of
11 all laboratory work of all subordinates and shall employ a sufficient
12 number of laboratory personnel with the appropriate education
13 and either experience or training to provide appropriate
14 consultation, properly supervise and accurately perform tests, and
15 report test results in accordance with the personnel qualifications,
16 duties, and responsibilities described in CLIA and this chapter.

17 (2) Where a point-of-care laboratory testing device is utilized
18 and provides results for more than one analyte, the testing
19 personnel may perform and report the results of all tests ordered
20 for each analyte for which ~~he or she~~ *they* have been found by
21 the laboratory director to be competent to perform and report.

22 (e) As part of the overall operation and administration, the
23 laboratory director of a registered laboratory shall document the
24 adequacy of the qualifications (educational background, training,
25 and experience) of the personnel directing and supervising the
26 laboratory and performing the laboratory test procedures and
27 examinations. In determining the adequacy of qualifications, the
28 laboratory director shall comply with any regulations adopted by
29 the department that specify the minimum qualifications for
30 personnel, in addition to any CLIA requirements relative to the
31 education or training of personnel.

32 (f) As part of the overall operation and administration, the
33 laboratory director of a licensed laboratory shall do all of the
34 following:

35 (1) Ensure that all personnel, prior to testing biological
36 specimens, have the appropriate education and experience, receive
37 the appropriate training for the type and complexity of the services
38 offered, and have demonstrated that they can perform all testing
39 operations reliably to provide and report accurate results. In
40 determining the adequacy of qualifications, the laboratory director

1 shall comply with any regulations adopted by the department that
2 specify the minimum qualifications for, and the type of procedures
3 that may be performed by, personnel in addition to any CLIA
4 requirements relative to the education or training of personnel.
5 Any regulations adopted pursuant to this section that specify the
6 type of procedure that may be performed by testing personnel shall
7 be based on the skills, knowledge, and tasks required to perform
8 the type of procedure in question.

9 (2) Ensure that policies and procedures are established for
10 monitoring individuals who conduct preanalytical, analytical, and
11 postanalytical phases of testing to ensure that they are competent
12 and maintain their competency to process biological specimens,
13 perform test procedures, and report test results promptly and
14 proficiently, and, whenever necessary, identify needs for remedial
15 training or continuing education to improve skills.

16 (3) Specify in writing the responsibilities and duties of each
17 individual engaged in the performance of the preanalytic, analytic,
18 and postanalytic phases of clinical laboratory tests or examinations,
19 including which clinical laboratory tests or examinations the
20 individual is authorized to perform, whether supervision is required
21 for the individual to perform specimen processing, test
22 performance, or results reporting, and whether consultant,
23 supervisor, or director review is required prior to the individual
24 reporting patient test results.

25 (g) The competency and performance of staff of a licensed
26 laboratory shall be evaluated and documented by the laboratory
27 director, or by a person who qualifies as a technical consultant or
28 a technical supervisor under CLIA depending on the type and
29 complexity of tests being offered by the laboratory.

30 (1) The procedures for evaluating the competency of the staff
31 shall include, but are not limited to, all of the following:

32 (A) Direct observations of routine patient test performance,
33 including patient preparation, if applicable, and specimen handling,
34 processing, and testing.

35 (B) Monitoring the recording and reporting of test results.

36 (C) Review of intermediate test results or worksheets, quality
37 control records, proficiency testing results, and preventive
38 maintenance records.

39 (D) Direct observation of performance of instrument
40 maintenance and function checks.

1 (E) Assessment of test performance through testing previously
2 analyzed specimens, internal blind testing samples, or external
3 proficiency testing samples.

4 (F) Assessment of problem solving skills.

5 (2) Evaluation and documentation of staff competency and
6 performance shall occur at least semiannually during the first year
7 an individual tests biological specimens. Thereafter, evaluations
8 shall be performed at least annually unless test methodology or
9 instrumentation changes, in which case, prior to reporting patient
10 test results, the individual's performance shall be reevaluated to
11 include the use of the new test methodology or instrumentation.

12 (h) The laboratory director of each clinical laboratory of an
13 acute care hospital shall be a physician and surgeon who is a
14 qualified pathologist, except as follows:

15 (1) If a qualified pathologist is not available, a physician and
16 surgeon or a clinical laboratory bioanalyst qualified as a laboratory
17 director under subdivision (a) may direct the laboratory. However,
18 a qualified pathologist shall be available for consultation at suitable
19 intervals to ensure high-quality service.

20 (2) If there are two or more clinical laboratories of an acute care
21 hospital, those additional clinical laboratories that are limited to
22 the performance of blood gas analysis, blood electrolyte analysis,
23 or both, may be directed by a physician and surgeon qualified as
24 a laboratory director under subdivision (a), irrespective of whether
25 a pathologist is available.

26 As used in this subdivision, a qualified pathologist is a physician
27 and surgeon certified or eligible for certification in clinical or
28 anatomical pathology by the American Board of Pathology or the
29 American Osteopathic Board of Pathology.

30 (i) Subdivision (h) does not apply to any director of a clinical
31 laboratory of an acute care hospital acting in that capacity on or
32 before January 1, 1988.

33 (j) A laboratory director may serve as the director of up to the
34 maximum number of laboratories stipulated by CLIA, as defined
35 under Section 1202.5.

36 *SEC. 12. Section 1632 of the Business and Professions Code*
37 *is amended to read:*

38 1632. (a) The board shall require each applicant to successfully
39 complete the written examination of the National Board Dental

1 Examination of the Joint Commission on National Dental
2 Examinations.

3 (b) The board shall require each applicant to successfully
4 complete an examination in California law and ethics developed
5 and administered by the board. The board shall provide a separate
6 application for this examination. The board shall ensure that the
7 law and ethics examination reflects current law and regulations,
8 and ensure that the examinations are randomized. Applicants shall
9 submit this application and required fee to the board in order to
10 take this examination. In addition to the aforementioned
11 application, the only other requirement for taking this examination
12 shall be certification from the dean of the qualifying dental school
13 or the dean's delegate attended by the applicant that the applicant
14 has graduated, or will graduate, or is expected to graduate.
15 Applicants who submit completed applications and certification
16 from the dean at least 15 days prior to a scheduled examination
17 shall be scheduled to take the examination. Successful results of
18 the examination shall, as established by board regulation, remain
19 valid for two years from the date that the applicant is notified of
20 having passed the examination.

21 (c) Except as otherwise provided in Section ~~1632.5~~, *1632.5 or*
22 *1632.56*, the board shall require each applicant to have taken and
23 received a passing score on one of the following:

24 (1) (A) A portfolio examination of the applicant's competence
25 to enter the practice of dentistry. This examination shall be
26 conducted while the applicant is enrolled in a dental school
27 program at a board-approved school located in California. This
28 examination shall utilize uniform standards of clinical experiences
29 and competencies, as approved by the board pursuant to Section
30 1632.1. The applicant shall pass a final assessment of the submitted
31 portfolio at the end of the applicant's dental school program. Before
32 any portfolio assessment may be submitted to the board, the
33 applicant shall remit the required fee to the board to be deposited
34 into the State Dentistry Fund, and a letter of good standing signed
35 by the dean of the applicant's dental school or the dean's delegate
36 stating that the applicant has graduated or will graduate with no
37 pending ethical issues.

38 (B) The board shall provide a report on how many other states
39 have recognized licensure by portfolio examination at the time of
40 its sunset review pursuant to subdivision (d) of Section 1601.1.

1 The report shall be submitted in compliance with Section 9795 of
2 the Government Code.

3 (2) Either one of the following examinations:

4 (A) A clinical and written examination administered by the
5 Western Regional Examining Board within five years prior to the
6 date of their application for a license under this section.

7 (B) The clinical and written examination developed by the
8 American Board of Dental Examiners, Inc., within five years prior
9 to the date of their application for a license under this section.

10 (d) Notwithstanding subdivision (b) of Section 1628, the board
11 is authorized to do either of the following:

12 (1) Approve an application for examination from, and to
13 examine an applicant who is enrolled in, but has not yet graduated
14 from, a reputable dental school approved by the board.

15 (2) Accept the results of an examination described in paragraph
16 (2) of subdivision (c) submitted by an applicant who was enrolled
17 in, but had not graduated from, a reputable dental school approved
18 by the board at the time the examination was administered.

19 In either case, the board shall require the dean of that school or
20 the dean's delegate to furnish satisfactory proof that the applicant
21 will graduate within one year of the date the examination was
22 administered or as provided in paragraph (1) of subdivision (c).

23 (e) The board may determine the testing format, as related to
24 patients, for the examination provided pursuant to subparagraph
25 (B) of paragraph (2) of subdivision (c).

26 (f) *This section shall remain in effect only until January 1, 2025,*
27 *and as of that date is repealed.*

28 *SEC. 13. Section 1632 is added to the Business and Professions*
29 *Code, to read:*

30 *1632. (a) The board shall require each applicant to*
31 *successfully complete the written examination of the National*
32 *Board Dental Examination of the Joint Commission on National*
33 *Dental Examinations.*

34 *(b) The board shall require each applicant to successfully*
35 *complete an examination in California law and ethics developed*
36 *and administered by the board. The board shall provide a separate*
37 *application for this examination. The board shall ensure that the*
38 *law and ethics examination reflects current law and regulations,*
39 *and ensure that the examinations are randomized. Applicants shall*
40 *submit this application and required fee to the board in order to*

1 take this examination. In addition to the aforementioned
2 application, the only other requirement for taking this examination
3 shall be certification from the dean of the qualifying dental school
4 or the dean's delegate attended by the applicant that the applicant
5 has graduated, or will graduate, or is expected to graduate.
6 Applicants who submit completed applications and certification
7 from the dean at least 15 days prior to a scheduled examination
8 shall be scheduled to take the examination. Successful results of
9 the examination shall, as established by board regulation, remain
10 valid for two years from the date that the applicant is notified of
11 having passed the examination.

12 (c) Except as otherwise provided in Section 1632.5, the board
13 shall require each applicant to have taken and received a passing
14 score on one of the following:

15 (1) (A) A portfolio examination of the applicant's competence
16 to enter the practice of dentistry. This examination shall be
17 conducted while the applicant is enrolled in a dental school
18 program at a board-approved school located in California. This
19 examination shall utilize uniform standards of clinical experiences
20 and competencies, as approved by the board pursuant to Section
21 1632.1. The applicant shall pass a final assessment of the submitted
22 portfolio at the end of the applicant's dental school program.
23 Before any portfolio assessment may be submitted to the board,
24 the applicant shall remit the required fee to the board to be
25 deposited into the State Dentistry Fund, and a letter of good
26 standing signed by the dean of the applicant's dental school or
27 the dean's delegate stating that the applicant has graduated or
28 will graduate with no pending ethical issues.

29 (B) The board shall provide a report on how many other states
30 have recognized licensure by portfolio examination at the time of
31 its sunset review pursuant to subdivision (d) of Section 1601.1.
32 The report shall be submitted in compliance with Section 9795 of
33 the Government Code.

34 (2) Either one of the following examinations:

35 (A) A clinical and written examination administered by the
36 Western Regional Examining Board within five years prior to the
37 date of their application for a license under this section.

38 (B) The clinical and written examination developed by the
39 American Board of Dental Examiners, Inc., within five years prior
40 to the date of their application for a license under this section.

1 (d) Notwithstanding subdivision (b) of Section 1628, the board
2 is authorized to do either of the following:

3 (1) Approve an application for examination from, and to
4 examine an applicant who is enrolled in, but has not yet graduated
5 from, a reputable dental school approved by the board.

6 (2) Accept the results of an examination described in paragraph
7 (2) of subdivision (c) submitted by an applicant who was enrolled
8 in, but had not graduated from, a reputable dental school approved
9 by the board at the time the examination was administered.

10 In either case, the board shall require the dean of that school
11 or the dean's delegate to furnish satisfactory proof that the
12 applicant will graduate within one year of the date the examination
13 was administered or as provided in paragraph (1) of subdivision
14 (c).

15 (e) The board may determine the testing format, as related to
16 patients, for the examination provided pursuant to subparagraph
17 (B) of paragraph (2) of subdivision (c).

18 (f) This section shall become operative on January 1, 2025.

19 SEC. 14. Section 1632.56 is added to the Business and
20 Professions Code, immediately following Section 1632.55, to read:

21 1632.56. (a) Notwithstanding Section 1630, an applicant
22 receiving a passing score on an examination administered by the
23 Western Regional Examining Board from January 1, 2015, to
24 December 31, 2019, inclusive, shall satisfy the requirement of a
25 passing score pursuant to subdivision (c) of Section 1632 for a
26 license to practice dentistry in this state, so long as the passing
27 score is used for initial licensure within five years prior to the date
28 of their application for a license under Section 1632.

29 (b) This section shall remain in effect only until January 1, 2025,
30 and as of that date is repealed.

31 ~~SEC. 10.~~

32 SEC. 15. Section 1913 of the Business and Professions Code
33 is amended to read:

34 1913. Unless otherwise specified in this chapter, a registered
35 dental hygienist may perform any procedure or provide any service
36 within the scope of their practice in any setting under the
37 appropriate level of supervision required by this article, if the
38 registered dental hygienist has completed the appropriate education
39 and training required to perform the procedure or provide the
40 service.

1 ~~SEC. 11.~~

2 *SEC. 16.* Section 1917 of the Business and Professions Code
3 is amended to read:

4 1917. The dental hygiene board shall grant initial licensure as
5 a registered dental hygienist to a person who satisfies all of the
6 following requirements:

7 (a) Completion of an educational program for registered dental
8 hygienists, approved by the dental hygiene board, accredited by
9 the Commission on Dental Accreditation, and conducted by a
10 degree-granting, postsecondary institution.

11 (b) Within the preceding three years, satisfactory completion
12 of the dental hygiene examination given by the Western Regional
13 Examining Board or any other clinical or dental hygiene
14 examination approved by the dental hygiene board.

15 (c) Satisfactory completion of the National Board Dental
16 Hygiene Examination.

17 (d) Satisfactory completion of the examination in California
18 law and ethics as prescribed by the dental hygiene board.

19 (e) Submission of a completed application form and all fees
20 required by the dental hygiene board.

21 (f) Satisfactory completion of dental hygiene board-approved
22 instruction in gingival soft-tissue curettage, nitrous oxide-oxygen
23 analgesia, and local anesthesia.

24 ~~SEC. 12.~~

25 *SEC. 17.* Section 1917.1 of the Business and Professions Code
26 is amended to read:

27 1917.1. (a) The dental hygiene board may grant a license as
28 a registered dental hygienist to an applicant who has not taken a
29 clinical examination before the dental hygiene board, if the
30 applicant submits all of the following to the dental hygiene board:

31 (1) A completed application form and all fees required by the
32 dental hygiene board.

33 (2) Proof of a current license as a registered dental hygienist
34 issued by another state that is not revoked, suspended, or otherwise
35 restricted.

36 (3) Proof that the applicant has been in clinical practice as a
37 registered dental hygienist or has been a full-time faculty member
38 in an accredited dental hygiene education program for a minimum
39 of 750 hours per year for at least five years immediately preceding
40 the date of application under this section. The clinical practice

1 requirement shall be deemed met if the applicant provides proof
2 of at least three years of clinical practice and commits to
3 completing the remaining two years of clinical practice by filing
4 with the dental hygiene board a copy of a pending contract to
5 practice dental hygiene in any of the following facilities:

6 (A) A primary care clinic licensed under subdivision (a) of
7 Section 1204 of the Health and Safety Code.

8 (B) A primary care clinic exempt from licensure pursuant to
9 subdivision (c) of Section 1206 of the Health and Safety Code.

10 (C) A clinic owned or operated by a public hospital or health
11 system.

12 (D) A clinic owned and operated by a hospital that maintains
13 the primary contract with a county government to fill the county's
14 role under Section 17000 of the Welfare and Institutions Code.

15 (4) Satisfactory performance on a California law and ethics
16 examination and any examination that may be required by the
17 dental hygiene board.

18 (5) Proof that the applicant has not been subject to disciplinary
19 action by any state in which the applicant is or has been previously
20 issued any professional or vocational license. If the applicant has
21 been subject to disciplinary action, the dental hygiene board shall
22 review that action to determine if it warrants refusal to issue a
23 license to the applicant.

24 (6) Proof of graduation from a school of dental hygiene
25 accredited by the Commission on Dental Accreditation.

26 (7) Proof of satisfactory completion of the National Board
27 Dental Hygiene Examination and of a state clinical examination,
28 regional clinical licensure examination, or any other clinical dental
29 hygiene examination approved by the dental hygiene board.

30 (8) Proof that the applicant has not failed the state clinical
31 examination, the examination given by the Western Regional
32 Examining Board, or any other clinical dental hygiene examination
33 approved by the dental hygiene board for licensure to practice
34 dental hygiene under this chapter more than once or once within
35 five years prior to the date of application for a license under this
36 section.

37 (9) Documentation of completion of a minimum of 25 units of
38 continuing education earned in the two years preceding application,
39 including completion of any continuing education requirements

1 imposed by the dental hygiene board on registered dental hygienists
2 licensed in this state at the time of application.

3 (10) Any other information as specified by the dental hygiene
4 board to the extent that it is required of applicants for licensure by
5 examination under this article.

6 (b) The dental hygiene board may periodically request
7 verification of compliance with the requirements of paragraph (3)
8 of subdivision (a) and may revoke the license upon a finding that
9 the employment requirement or any other requirement of paragraph
10 (3) of subdivision (a) has not been met.

11 (c) The dental hygiene board shall provide in the application
12 packet to each out-of-state dental hygienist pursuant to this section
13 the following information:

14 (1) The location of dental manpower shortage areas in the state.

15 (2) Any nonprofit clinics, public hospitals, and accredited dental
16 hygiene education programs seeking to contract with licensees for
17 dental hygiene service delivery or training purposes.

18 ~~SEC. 13.~~

19 *SEC. 18.* Section 1922 of the Business and Professions Code
20 is amended to read:

21 1922. The dental hygiene board shall license as a registered
22 dental hygienist in alternative practice a person who demonstrates
23 satisfactory performance on an examination in California law and
24 ethics required by the dental hygiene board and who completes an
25 application form and pays all application fees required by the dental
26 hygiene board and meets either of the following requirements:

27 (a) Holds a current California license as a registered dental
28 hygienist and meets the following requirements:

29 (1) Has been engaged in the practice of dental hygiene, as
30 defined in Section 1908, as a registered dental hygienist in any
31 setting, including, but not limited to, educational settings and public
32 health settings, for a minimum of 2,000 hours during the
33 immediately preceding 36 months.

34 (2) Has successfully completed a bachelor's degree or its
35 equivalent, recognized as a minimum of 120 semester credit hours
36 or 180 quarter credit hours in postsecondary education, from a
37 college or institution of higher education that is accredited by a
38 national or regional accrediting agency recognized by the United
39 States Department of Education, and a minimum of 150 hours of
40 additional educational requirements, as prescribed by the dental

1 hygiene board by regulation, that are consistent with good dental
2 and dental hygiene practice, including, but not necessarily limited
3 to, dental hygiene technique and theory including gerontology and
4 medical emergencies, and business administration and practice
5 management.

6 (b) Has received a letter of acceptance into the employment
7 utilization phase of the Health Workforce Pilot Project No. 155
8 established by the Office of Statewide Health Planning and
9 Development pursuant to Article 1 (commencing with Section
10 128125) of Chapter 3 of Part 3 of Division 107 of the Health and
11 Safety Code.

12 ~~SEC. 14.~~

13 *SEC. 19.* Section 2065 of the Business and Professions Code
14 is amended to read:

15 2065. (a) Unless otherwise provided by law, no postgraduate
16 trainee, intern, resident, postdoctoral fellow, or instructor may
17 engage in the practice of medicine, or receive compensation
18 therefor, or offer to engage in the practice of medicine unless they
19 hold a valid, unrevoked, and unsuspended physician’s and
20 surgeon’s certificate issued by the board. However, a graduate of
21 an approved medical school may engage in the practice of medicine
22 whenever and wherever required as a part of a postgraduate training
23 program under the following conditions:

24 (1) The medical school graduate has taken and passed the
25 board-approved medical licensing examinations required to qualify
26 the applicant to participate in an approved postgraduate training
27 program.

28 (2) If the medical school graduate graduated from a foreign
29 medical school approved by the board pursuant to Section 2084,
30 the Educational Commission for Foreign Medical Graduates
31 (ECFMG) has submitted an official ECFMG Certification Status
32 Report directly to the board confirming the graduate is ECFMG
33 certified.

34 (3) The medical school graduate is enrolled in a postgraduate
35 training program approved by the board.

36 (4) The board-approved postgraduate training program has
37 submitted the required board-approved form to the board
38 documenting the medical school graduate is enrolled in an
39 approved postgraduate training program.

1 (5) The medical school graduate obtains a physician's and
2 surgeon's postgraduate training license in accordance with Section
3 2064.5.

4 (b) A medical school graduate enrolled in an approved first-year
5 postgraduate training program in accordance with this section may
6 engage in the practice of medicine whenever and wherever required
7 as a part of the training program, and may receive compensation
8 for that practice.

9 (c) A graduate who has completed the first year of postgraduate
10 training may, in an approved residency or fellowship, engage in
11 the practice of medicine whenever and wherever required as part
12 of that residency or fellowship, and may receive compensation for
13 that practice. The resident or fellow shall qualify for, take, and
14 pass the next succeeding written examination for licensure. If the
15 resident or fellow fails to receive a license to practice medicine
16 under this chapter within 27 months from the commencement of
17 the residency or fellowship, except as otherwise allowed under
18 subdivision (g) or (h), or if the board denies their application for
19 licensure, all privileges and exemptions under this section shall
20 automatically cease.

21 (d) All approved postgraduate training the medical school
22 graduate has successfully completed in the United States or Canada
23 shall count toward the 39-month license exemption, except as
24 otherwise allowed under subdivision (h).

25 (e) A medical school graduate from a medical school approved
26 by the board shall have successfully completed a minimum of 36
27 months of approved postgraduate training, which includes
28 successful progression through 24 months in the same program,
29 to be eligible for a California physician's and surgeon's certificate.

30 (f) The program director for an approved postgraduate training
31 program in California shall report to the board, on a form approved
32 by the board, and provide any supporting documents as required
33 by the board, the following actions within 30 days of the action:

34 (1) A postgraduate trainee is notified that they have received
35 partial or no credit for a period of postgraduate training, and their
36 postgraduate training period is extended.

37 (2) A postgraduate trainee takes a leave of absence or any break
38 from their postgraduate training, and they are notified that their
39 postgraduate training period is extended.

1 (3) A postgraduate trainee is terminated from the postgraduate
2 training program.

3 (4) A postgraduate trainee resigns, dies, or otherwise leaves the
4 postgraduate training program.

5 (5) A postgraduate trainee has completed a one-year contract
6 approved by the postgraduate training program.

7 (g) Upon review of supporting documentation, the board, in its
8 discretion, may grant an extension beyond 39 months to a
9 postgraduate training licensee to successfully complete the 36
10 months of required approved postgraduate training.

11 (h) An applicant for a physician's and surgeon's license who
12 has successfully completed 36 months of approved postgraduate
13 training in another state or in Canada and who is accepted into an
14 approved postgraduate training program in California shall obtain
15 their physician's and surgeon's license within 90 days after
16 beginning that postgraduate training program or all privileges and
17 exemptions under this section shall automatically cease.

18 (i) This section shall become operative on January 1, 2020.

19 ~~SEC. 15.~~

20 *SEC. 20.* Section 2113 of the Business and Professions Code
21 is amended to read:

22 2113. (a) Any person who does not immediately qualify for
23 a physician's and surgeon's certificate under this chapter and who
24 is offered by the dean of an approved medical school in this state
25 a full-time faculty position may, after application to and approval
26 by the board, be granted a certificate of registration to engage in
27 the practice of medicine only to the extent that the practice is
28 incident to and a necessary part of their duties as approved by the
29 board in connection with the faculty position. A certificate of
30 registration does not authorize a registrant to admit patients to a
31 nursing or a skilled or assisted living facility unless that facility is
32 formally affiliated with the sponsoring medical school. A clinical
33 fellowship shall not be submitted as a faculty service appointment.

34 (b) Application for a certificate of registration shall be made on
35 a form prescribed by the board and shall be accompanied by a
36 registration fee fixed by the board in an amount necessary to
37 recover the actual application processing costs of the program. To
38 qualify for the certificate, an applicant shall submit all of the
39 following:

1 (1) If the applicant is a graduate of a medical school other than
2 in the United States or Canada, documentary evidence satisfactory
3 to the board that they have been licensed to practice medicine and
4 surgery for not less than four years in another state or country
5 whose requirements for licensure are satisfactory to the board, or
6 has been engaged in the practice of medicine in the United States
7 for at least four years in approved facilities, or has completed a
8 combination of that licensure and training.

9 (2) If the applicant is a graduate of a medical school in the
10 United States or Canada, documentary evidence that the medical
11 school is approved by the board.

12 (3) Written certification by the head of the department in which
13 the applicant is to be appointed of all of the following:

14 (A) The applicant will be under their direction.

15 (B) The applicant will not be permitted to practice medicine
16 unless incident to and a necessary part of their duties as approved
17 by the board in subdivision (a).

18 (C) The applicant will be accountable to the medical school's
19 department chair or division chief for the specialty in which the
20 applicant will practice.

21 (D) The applicant will be proctored in the same manner as other
22 new faculty members, including, as appropriate, review by the
23 medical staff of the school's medical center.

24 (E) The applicant will not be appointed to a supervisory position
25 at the level of a medical school department chair or division chief.

26 (4) Demonstration by the dean of the medical school that the
27 applicant has the requisite qualifications to assume the position to
28 which they are to be appointed and that shall include a written
29 statement of the recruitment procedures followed by the medical
30 school before offering the faculty position to the applicant.

31 (c) A certificate of registration shall be issued only for a faculty
32 position at one approved medical school, and no person shall be
33 issued more than one certificate of registration for the same period
34 of time.

35 (d) (1) A certificate of registration is valid for one year from
36 its date of issuance and may be renewed twice.

37 A request for renewal shall be submitted on a form prescribed
38 by the board and shall be accompanied by a renewal fee fixed by
39 the board in an amount necessary to recover the actual application
40 processing costs of the program.

1 (2) The dean of the medical school may request renewal of the
2 registration by submitting a plan at the beginning of the third year
3 of the registrant's appointment demonstrating the registrant's
4 continued progress toward licensure and, if the registrant is a
5 graduate of a medical school other than in the United States or
6 Canada, that the registrant has been issued a certificate by the
7 Educational Commission for Foreign Medical Graduates. The
8 board may, in its discretion, extend the registration for a two-year
9 period to facilitate the registrant's completion of the licensure
10 process.

11 (e) If the registrant is a graduate of a medical school other than
12 in the United States or Canada, they shall meet the requirements
13 of Section 2065 or 2135, as appropriate, in order to obtain a
14 physician's and surgeon's certificate. Notwithstanding any other
15 provision of law, the board may accept clinical practice in an
16 appointment pursuant to this section as qualifying time to meet
17 the postgraduate training requirements in Section 2065, and, in its
18 discretion, waive the examination and the Educational Commission
19 for Foreign Medical Graduates certification requirements specified
20 in paragraph (3) of subdivision (a) of Section 2065 in the event
21 the registrant applies for a physician's and surgeon's certificate.
22 As a condition to waiving any examination or the Educational
23 Commission for Foreign Medical Graduates certification
24 requirement, the board in its discretion, may require an applicant
25 to pass a clinical competency examination approved by the board.
26 The board shall not waive any examination for an applicant who
27 has not completed at least one year in the faculty position.

28 (f) Except to the extent authorized by this section, the registrant
29 shall not engage in the practice of medicine, bill individually for
30 medical services provided by the registrant, or receive
31 compensation therefor, unless they are issued a physician's and
32 surgeon's certificate.

33 (g) When providing clinical services, the registrant shall wear
34 a visible name tag containing the title "visiting professor" or
35 "visiting faculty member," as appropriate, and the institution at
36 which the services are provided shall obtain a signed statement
37 from each patient to whom the registrant provides services
38 acknowledging that the patient understands that the services are
39 provided by a person who does not hold a physician's and

1 surgeon's certificate but who is qualified to participate in a special
2 program as a visiting professor or faculty member.

3 (h) The board shall notify both the registrant and the dean of
4 the medical school of a complaint made about the registrant. The
5 board may terminate a registration for any act that would be
6 grounds for discipline if done by a licensee. The board shall provide
7 both the registrant and the dean of the medical school with written
8 notice of the termination and the basis for that termination. The
9 registrant may, within 30 days after the date of the notice of
10 termination, file a written appeal to the board. The appeal shall
11 include any documentation the registrant wishes to present to the
12 board.

13 (i) This section shall become operative on January 1, 2020.

14 ~~SEC. 16:~~

15 *SEC. 21.* Section 2135.5 of the Business and Professions Code
16 is amended to read:

17 2135.5. Upon review and recommendation, the board may
18 determine that an applicant for a physician's and surgeon's
19 certificate has satisfied the medical education requirements of
20 Sections 2084 and 2135 and the examination requirements of
21 Section 2170 if the applicant meets all of the following criteria:

22 (a) They hold an unlimited and unrestricted license as a
23 physician and surgeon in another state and has held that license
24 continuously for a minimum of four years prior to the date of
25 application.

26 (b) They meet the postgraduate training requirements in Section
27 2096 and are certified by a specialty board that is a member board
28 of the American Board of Medical Specialties.

29 (c) They are not subject to denial of licensure under Division
30 1.5 (commencing with Section 475) or Article 12 (commencing
31 with Section 2220).

32 (d) They have not been the subject of a disciplinary action by
33 a medical licensing authority or of an adverse judgment or
34 settlement resulting from the practice of medicine that, as
35 determined by the board, constitutes a pattern of negligence or
36 incompetence.

37 (e) This section shall become operative on January 1, 2020.

38 ~~SEC. 17:~~

39 *SEC. 22.* Section 2460 of the Business and Professions Code
40 is amended to read:

1 2460. (a) There is created in the Department of Consumer
2 Affairs the California Board of Podiatric Medicine. Commencing
3 July 1, 2019, the California Board of Podiatric Medicine is renamed
4 the Podiatric Medical Board of California. Any reference in any
5 provision of law to the California Board of Podiatric Medicine
6 shall, commencing July 1, 2019, be deemed to refer to the Podiatric
7 Medical Board of California.

8 (b) This section shall remain in effect only until January 1, 2022,
9 and as of that date is repealed. Notwithstanding any other law, the
10 repeal of this section renders the California Board of Podiatric
11 Medicine subject to review by the appropriate policy committees
12 of the Legislature.

13 (c) The amendments made by Chapter 775 of the Statutes of
14 2017 relating to podiatrists shall not be construed to change any
15 rights or privileges held by podiatrists prior to the enactment of
16 that act.

17 *SEC. 23. Section 2531 of the Business and Professions Code*
18 *is amended to read:*

19 2531. (a) There is in the Department of Consumer Affairs the
20 Speech-Language Pathology and Audiology and Hearing Aid
21 Dispensers Board in which the enforcement and administration of
22 this chapter are vested. The Speech-Language Pathology and
23 Audiology and Hearing Aid Dispensers Board shall consist of nine
24 members, three of whom shall be public members.

25 (b) This section shall remain in effect only until January 1, ~~2022,~~
26 ~~2023,~~ and as of that date is repealed.

27 (c) Notwithstanding any other law, the repeal of this section
28 renders the board subject to review by the appropriate policy
29 committees of the Legislature.

30 *SEC. 24. Section 2531.75 of the Business and Professions Code*
31 *is amended to read:*

32 2531.75. (a) The board may appoint a person exempt from
33 civil service who shall be designated as an executive officer and
34 who shall exercise the powers and perform the duties delegated
35 by the board and vested in ~~him or her~~ *them* by this chapter.

36 (b) This section shall remain in effect only until January 1, ~~2022,~~
37 ~~2023,~~ and as of that date is repealed.

38 *SEC. 25. Section 2570.19 of the Business and Professions Code*
39 *is amended to read:*

1 2570.19. (a) There is hereby created a California Board of
2 Occupational Therapy, hereafter referred to as the board. The board
3 shall enforce and administer this chapter.

4 (b) The members of the board shall consist of the following:

5 (1) Three occupational therapists who shall have practiced
6 occupational therapy for five years.

7 (2) One occupational therapy assistant who shall have assisted
8 in the practice of occupational therapy for five years.

9 (3) Three public members who shall not be licentiates of the
10 board, of any other board under this division, or of any board
11 referred to in Section 1000 or 3600.

12 (c) The Governor shall appoint the three occupational therapists
13 and one occupational therapy assistant to be members of the board.
14 The Governor, the Senate Committee on Rules, and the Speaker
15 of the Assembly shall each appoint a public member. Not more
16 than one member of the board shall be appointed from the full-time
17 faculty of any university, college, or other educational institution.

18 (d) All members shall be residents of California at the time of
19 their appointment. The occupational therapist and occupational
20 therapy assistant members shall have been engaged in rendering
21 occupational therapy services to the public, teaching, or research
22 in occupational therapy for at least five years preceding their
23 appointments.

24 (e) The public members may not be or have ever been
25 occupational therapists or occupational therapy assistants or in
26 training to become occupational therapists or occupational therapy
27 assistants. The public members may not be related to, or have a
28 household member who is, an occupational therapist or an
29 occupational therapy assistant, and may not have had, within two
30 years of the appointment, a substantial financial interest in a person
31 regulated by the board.

32 (f) The Governor shall appoint two board members for a term
33 of one year, two board members for a term of two years, and one
34 board member for a term of three years. Appointments made
35 thereafter shall be for four-year terms, but no person shall be
36 appointed to serve more than two consecutive terms. Terms shall
37 begin on the first day of the calendar year and end on the last day
38 of the calendar year or until successors are appointed, except for
39 the first appointed members who shall serve through the last
40 calendar day of the year in which they are appointed, before

1 commencing the terms prescribed by this section. Vacancies shall
2 be filled by appointment for the unexpired term. The board shall
3 annually elect one of its members as president.

4 (g) The board shall meet and hold at least one regular meeting
5 annually in the Cities of Sacramento, Los Angeles, and San
6 Francisco. The board may convene from time to time until its
7 business is concluded. Special meetings of the board may be held
8 at any time and place designated by the board.

9 (h) Notice of each meeting of the board shall be given in
10 accordance with the Bagley-Keene Open Meeting Act (Article 9
11 (commencing with Section 11120) of Chapter 1 of Part 1 of
12 Division 3 of Title 2 of the Government Code).

13 (i) Members of the board shall receive no compensation for
14 their services, but shall be entitled to reasonable travel and other
15 expenses incurred in the execution of their powers and duties in
16 accordance with Section 103.

17 (j) The appointing power shall have the power to remove any
18 member of the board from office for neglect of any duty imposed
19 by state law, for incompetency, or for unprofessional or
20 dishonorable conduct.

21 (k) This section shall remain in effect only until January 1, ~~2022,~~
22 ~~2023~~, and as of that date is repealed.

23 (l) Notwithstanding any other law, the repeal of this section
24 renders the board subject to review by the appropriate policy
25 committees of the Legislature.

26 *SEC. 26. Section 2602 of the Business and Professions Code*
27 *is amended to read:*

28 2602. (a) The Physical Therapy Board of California, hereafter
29 referred to as the board, shall enforce and administer this chapter.

30 (b) This section shall remain in effect only until January 1, ~~2022,~~
31 ~~2023~~, and as of that date is repealed.

32 (c) Notwithstanding any other law, the repeal of this section
33 renders the board subject to review by the appropriate policy
34 committees of the Legislature.

35 *SEC. 27. Section 2607.5 of the Business and Professions Code*
36 *is amended to read:*

37 2607.5. (a) The board may employ an executive officer exempt
38 from the provisions of the State Civil Service Act (Part 2
39 (commencing with Section 18500) of Division 5 of Title 2 of the
40 Government Code) and may also employ investigators, legal

1 counsel, physical therapist consultants, and other assistance as it
2 may deem necessary to carry out this chapter. The board may fix
3 the compensation to be paid for services and may incur other
4 expenses as it may deem necessary. Investigators employed by the
5 board shall be provided special training in investigating physical
6 therapy practice activities.

7 (b) The Attorney General shall act as legal counsel for the board
8 for any judicial and administrative proceedings and ~~his or her~~ *their*
9 services shall be a charge against it.

10 (c) This section shall remain in effect only until January 1, ~~2022,~~
11 ~~2023,~~ and as of that date is repealed.

12 ~~SEC. 18.~~

13 *SEC. 28.* Section 2841 of the Business and Professions Code
14 is amended to read:

15 2841. (a) There is in the Department of Consumer Affairs a
16 Board of Vocational Nursing and Psychiatric Technicians of the
17 State of California, which consists of 11 members.

18 (b) Within the meaning of this chapter, “board,” or “the board,”
19 refers to the Board of Vocational Nursing and Psychiatric
20 Technicians of the State of California.

21 (c) This section shall remain in effect only until January 1, 2022,
22 and as of that date is repealed.

23 ~~SEC. 19.~~

24 *SEC. 29.* Section 2847.1 of the Business and Professions Code
25 is amended to read:

26 2847.1. (a) The board shall select an executive officer who
27 shall perform duties as are delegated by the board and who shall
28 be responsible to it for the accomplishment of those duties. The
29 executive officer shall not be a member of the board.

30 (b) With the approval of the Director of Finance, the board shall
31 fix the salary of the executive officer.

32 (c) The executive officer shall be entitled to traveling and other
33 necessary expenses in the performance of their duties. The
34 executive officer shall make a statement, certified before a duly
35 authorized person, that the expenses have been actually incurred.

36 (d) Commencing January 1, 2018, the executive officer
37 appointed by the board pursuant to subdivision (a) is abolished.
38 Thereafter, until January 1, 2022, the executive officer shall be
39 appointed as set forth in Section 2847.3. Commencing January 1,

1 2022, the executive officer shall, again, be appointed by the board
2 as set forth in subdivision (a).

3 (e) This section shall remain in effect only until January 1, 2023,
4 and as of that date is repealed.

5 ~~SEC. 20.~~

6 *SEC. 30.* Section 2847.3 of the Business and Professions Code
7 is amended to read:

8 2847.3. (a) Commencing January 1, 2018, the executive officer
9 position established pursuant to subdivision (a) of Section 2847.1
10 is temporarily abolished. Commencing January 1, 2018, the
11 Governor shall appoint an executive officer who shall perform
12 duties as are delegated by the board and who shall be responsible
13 for the accomplishment of those duties. The executive officer shall
14 exercise all powers, discharge all responsibilities, and administer
15 and enforce all laws pursuant to this chapter and Chapter 10
16 (commencing with Section 4500) of Division 2 that are necessary
17 to perform the duties delegated by the board.

18 (b) The executive officer shall serve at the pleasure of the
19 Governor and the Governor shall fix the salary of the executive
20 officer. The executive officer shall not be a member of the board.

21 (c) The executive officer shall be entitled to traveling and other
22 necessary expenses in the performance of their duties.

23 (d) This section shall become operative on January 1, 2018, and
24 shall remain in effect only until January 1, 2022, and as of that
25 date is repealed.

26 ~~SEC. 21.~~

27 *SEC. 31.* Section 2920 of the Business and Professions Code
28 is amended to read:

29 2920. (a) The Board of Psychology shall enforce and
30 administer this chapter. The board shall consist of nine members,
31 four of whom shall be public members.

32 (b) This section shall remain in effect only until January 1, 2022,
33 and as of that date is repealed.

34 (c) Notwithstanding any other law, the repeal of this section
35 renders the board subject to review by the appropriate policy
36 committees of the Legislature.

37 ~~SEC. 22.~~

38 *SEC. 32.* Section 2933 of the Business and Professions Code
39 is amended to read:

1 2933. (a) Except as provided by Section 159.5, the board shall
2 employ and shall make available to the board within the limits of
3 the funds received by the board all personnel necessary to carry
4 out this chapter. The board may employ, exempt from the State
5 Civil Service Act, an executive officer to the Board of Psychology.
6 The board shall make all expenditures to carry out this chapter.
7 The board may accept contributions to effectuate the purposes of
8 this chapter.

9 (b) This section shall remain in effect only until January 1, 2022,
10 and as of that date is repealed.

11 ~~SEC. 23.~~

12 *SEC. 33.* Section 3504 of the Business and Professions Code
13 is amended to read:

14 3504. There is established a Physician Assistant Board within
15 the jurisdiction of the Medical Board of California. The board
16 consists of nine members. This section shall remain in effect only
17 until January 1, 2022, and as of that date is repealed.
18 Notwithstanding any other law, the repeal of this section renders
19 the board subject to review by the appropriate policy committees
20 of the Legislature.

21 ~~SEC. 24.~~

22 *SEC. 34.* Section 3512 of the Business and Professions Code
23 is amended to read:

24 3512. (a) Except as provided in Sections 159.5 and 2020, the
25 board shall employ within the limits of the Physician Assistant
26 Fund all personnel necessary to carry out this chapter including
27 an executive officer who shall be exempt from civil service. The
28 Medical Board of California and board shall make all necessary
29 expenditures to carry out this chapter from the funds established
30 by Section 3520. The board may accept contributions to effect the
31 purposes of this chapter.

32 (b) This section shall remain in effect only until January 1, 2022,
33 and as of that date is repealed.

34 *SEC. 35.* *Section 3686 of the Business and Professions Code*
35 *is amended to read:*

36 3686. This chapter shall remain in effect only until January 1,
37 2022, 2023, and as of that date is repealed.

38 *SEC. 36.* *Section 3710 of the Business and Professions Code*
39 *is amended to read:*

1 3710. (a) The Respiratory Care Board of California, hereafter
2 referred to as the board, shall enforce and administer this chapter.

3 (b) This section shall remain in effect only until January 1, ~~2022,~~
4 2023, and as of that date is repealed. Notwithstanding any other
5 law, the repeal of this section renders the board subject to review
6 by the appropriate policy committees of the Legislature.

7 *SEC. 37. Section 3716 of the Business and Professions Code*
8 *is amended to read:*

9 3716. (a) The board may employ an executive officer exempt
10 from civil service and, subject to the provisions of law relating to
11 civil service, clerical assistants and, except as provided in Section
12 159.5, other employees as it may deem necessary to carry out its
13 powers and duties.

14 (b) This section shall remain in effect only until January 1, ~~2022,~~
15 2023, and as of that date is repealed.

16 ~~SEC. 25.~~

17 *SEC. 38. Section 4001 of the Business and Professions Code*
18 *is amended to read:*

19 4001. (a) There is in the Department of Consumer Affairs a
20 California State Board of Pharmacy in which the administration
21 and enforcement of this chapter is vested. The board consists of
22 13 members.

23 (b) The Governor shall appoint seven competent pharmacists
24 who reside in different parts of the state to serve as members of
25 the board. The Governor shall appoint four public members, and
26 the Senate Committee on Rules and the Speaker of the Assembly
27 shall each appoint a public member who shall not be a licensee of
28 the board, any other board under this division, or any board referred
29 to in Section 1000 or 3600.

30 (c) At least five of the seven pharmacist appointees to the board
31 shall be pharmacists who are actively engaged in the practice of
32 pharmacy. Additionally, the membership of the board shall include
33 at least one pharmacist representative from each of the following
34 practice settings: an acute care hospital, an independent community
35 pharmacy, a chain community pharmacy, and a long-term health
36 care or skilled nursing facility. The pharmacist appointees shall
37 also include a pharmacist who is a member of a labor union that
38 represents pharmacists. For the purposes of this subdivision, a
39 “chain community pharmacy” means a chain of 75 or more stores
40 in California under the same ownership, and an “independent

1 community pharmacy” means a pharmacy owned by a person or
2 entity who owns no more than four pharmacies in California.

3 (d) Members of the board shall be appointed for a term of four
4 years. No person shall serve as a member of the board for more
5 than two consecutive terms. Each member shall hold office until
6 the appointment and qualification of their successor or until one
7 year shall have elapsed since the expiration of the term for which
8 the member was appointed, whichever first occurs. Vacancies
9 occurring shall be filled by appointment for the unexpired term.

10 (e) Each member of the board shall receive a per diem and
11 expenses as provided in Section 103.

12 (f) This section shall remain in effect only until January 1, 2022,
13 and as of that date is repealed. Notwithstanding any other law, the
14 repeal of this section renders the board subject to review by the
15 appropriate policy committees of the Legislature.

16 ~~SEC. 26.~~

17 *SEC. 39.* Section 4003 of the Business and Professions Code
18 is amended to read:

19 4003. (a) The board, with the approval of the director, may
20 appoint a person exempt from civil service who shall be designated
21 as an executive officer and who shall exercise the powers and
22 perform the duties delegated by the board and vested in them by
23 this chapter. The executive officer may or may not be a member
24 of the board as the board may determine.

25 (b) The executive officer shall receive the compensation as
26 established by the board with the approval of the Director of
27 Finance. The executive officer shall also be entitled to travel and
28 other expenses necessary in the performance of their duties.

29 (c) The executive officer shall maintain and update in a timely
30 fashion records containing the names, titles, qualifications, and
31 places of business of all persons subject to this chapter.

32 (d) The executive officer shall give receipts for all money
33 received by them and pay it to the department, taking its receipt
34 therefor. Besides the duties required by this chapter, the executive
35 officer shall perform other duties pertaining to the office as may
36 be required of them by the board.

37 (e) This section shall remain in effect only until January 1, 2022,
38 and as of that date is repealed.

1 ~~SEC. 27.~~

2 *SEC. 40.* Section 4501 of the Business and Professions Code
3 is amended to read:

4 4501. (a) “Board,” as used in this chapter, means the Board
5 of Vocational Nursing and Psychiatric Technicians of the State of
6 California.

7 (b) This section shall remain in effect only until January 1, 2022,
8 and as of that date is repealed.

9 ~~SEC. 28.~~

10 *SEC. 41.* Section 4503 of the Business and Professions Code
11 is amended to read:

12 4503. (a) The board shall administer and enforce this chapter.

13 (b) This section shall remain in effect only until January 1, 2022,
14 and as of that date is repealed.

15 ~~SEC. 29.~~

16 *SEC. 42.* Section 4604 of the Business and Professions Code
17 is amended to read:

18 4604. (a) In order to obtain certification as a massage therapist,
19 an applicant shall submit a written application and provide the
20 council with satisfactory evidence that the applicant meets all of
21 the following requirements:

22 (1) The applicant is 18 years of age or older.

23 (2) The applicant has successfully completed the curricula in
24 massage and related subjects totaling a minimum of 500 hours, or
25 the credit unit equivalent, that incorporates appropriate school
26 assessment of student knowledge and skills.

27 (A) Of the 500 hours, a minimum of 100 hours of instruction
28 shall address anatomy and physiology, contraindications, health
29 and hygiene, and business and ethics.

30 (B) All of the 500 hours shall be from approved schools. The
31 council shall accept the 500 hours if, at the time all of the hours
32 were completed, the school or schools were approved. The 500
33 hours may be completed at more than one approved school.
34 Notwithstanding any other law, pursuant to its policies and
35 procedures for approval of schools, the council shall accept hours
36 earned by an applicant for certification as a massage therapist if
37 those hours were completed before July 1, 2016, and were earned
38 from a school providing education in this state that was unapproved
39 by the council after July 1, 2016, based solely on the fact that the
40 National Certification Board for Therapeutic Massage and

1 Bodywork took denial or disciplinary action against the school.
2 For purposes of this section, “unapproved” means that the council
3 determined that it will not accept hours from a school toward
4 certification.

5 (3) The applicant has passed a massage and bodywork
6 competency assessment examination that meets generally
7 recognized psychometric principles and standards and that is
8 approved by the council. The successful completion of this
9 examination may have been accomplished before the date the
10 council is authorized by this chapter to begin issuing certificates.
11 This paragraph shall be inoperative commencing on January 1,
12 2019, and shall become operative on January 1, 2022.

13 (4) The applicant has successfully passed a background
14 investigation pursuant to Section 4606, and has not violated any
15 of the provisions of this chapter.

16 (5) All fees required by the council have been paid.

17 (6) The council may issue a certificate to an applicant who meets
18 the qualifications of this chapter if the applicant holds a current
19 and valid registration, certification, or license from any other state
20 whose licensure requirements meet or exceed those defined within
21 this chapter. If an applicant has received education at a school that
22 is not approved by the council, the council shall have the discretion
23 to give credit for comparable academic work completed by an
24 applicant in a program outside of California.

25 (b) A certificate issued pursuant to this chapter and any
26 identification card issued by the council shall be surrendered to
27 the council by any certificate holder whose certificate is suspended
28 or revoked.

29 ~~SEC. 30.~~

30 *SEC. 43.* Section 4621 of the Business and Professions Code
31 is amended to read:

32 4621. (a) This chapter shall remain in effect only until January
33 1, 2022, and as of that date is repealed.

34 (b) Notwithstanding any other law, the powers and duties of the
35 council shall be subject to review by the appropriate policy
36 committees of the Legislature.

37 ~~SEC. 31.~~

38 *SEC. 44.* Section 4800 of the Business and Professions Code
39 is amended to read:

1 4800. (a) There is in the Department of Consumer Affairs a
2 Veterinary Medical Board in which the administration of this
3 chapter is vested. The board consists of the following members:

- 4 (1) Four licensed veterinarians.
- 5 (2) One registered veterinary technician.
- 6 (3) Three public members.

7 (b) This section shall remain in effect only until January 1, 2022,
8 and as of that date is repealed.

9 (c) Notwithstanding any other law, the repeal of this section
10 renders the board subject to review by the appropriate policy
11 committees of the Legislature. However, the review of the board
12 shall be limited to those issues identified by the appropriate policy
13 committees of the Legislature and shall not involve the preparation
14 or submission of a sunset review document or evaluative
15 questionnaire.

16 ~~SEC. 32.~~

17 *SEC. 45.* Section 4804.5 of the Business and Professions Code
18 is amended to read:

19 4804.5. The board may appoint a person exempt from civil
20 service who shall be designated as an executive officer and who
21 shall exercise the powers and perform the duties delegated by the
22 board and vested in them by this chapter.

23 This section shall remain in effect only until January 1, 2022,
24 and as of that date is repealed.

25 ~~SEC. 33.~~

26 *SEC. 46.* Section 4990 of the Business and Professions Code
27 is amended to read:

28 4990. (a) There is in the Department of Consumer Affairs, a
29 Board of Behavioral Sciences that consists of the following
30 members:

- 31 (1) Two state licensed clinical social workers.
- 32 (2) One state licensed educational psychologist.
- 33 (3) Two state licensed marriage and family therapists.
- 34 (4) One state licensed professional clinical counselor.
- 35 (5) Seven public members.

36 (b) Each member, except the seven public members, shall have
37 at least two years of experience in their profession.

38 (c) Each member shall reside in the State of California.

39 (d) The Governor shall appoint five of the public members and
40 the six licensed members with the advice and consent of the Senate.

1 The Senate Committee on Rules and the Speaker of the Assembly
2 shall each appoint a public member.

3 (e) Each member of the board shall be appointed for a term of
4 four years. A member appointed by the Senate Committee on Rules
5 or the Speaker of the Assembly shall hold office until the
6 appointment and qualification of their successor or until one year
7 from the expiration date of the term for which they were appointed,
8 whichever first occurs. Pursuant to Section 1774 of the Government
9 Code, a member appointed by the Governor shall hold office until
10 the appointment and qualification of their successor or until 60
11 days from the expiration date of the term for which they were
12 appointed, whichever first occurs.

13 (f) A vacancy on the board shall be filled by appointment for
14 the unexpired term by the authority who appointed the member
15 whose membership was vacated.

16 (g) Not later than the first of June of each calendar year, the
17 board shall elect a chairperson and a vice chairperson from its
18 membership.

19 (h) Each member of the board shall receive a per diem and
20 reimbursement of expenses as provided in Section 103.

21 (i) This section shall remain in effect only until January 1, 2022,
22 and as of that date is repealed.

23 (j) Notwithstanding any other provision of law, the repeal of
24 this section renders the board subject to review by the appropriate
25 policy committees of the Legislature.

26 ~~SEC. 34.~~

27 *SEC. 47.* Section 4990.04 of the Business and Professions Code
28 is amended to read:

29 4990.04. (a) The board shall appoint an executive officer. This
30 position is designated as a confidential position and is exempt from
31 civil service under subdivision (e) of Section 4 of Article VII of
32 the California Constitution.

33 (b) The executive officer serves at the pleasure of the board.

34 (c) The executive officer shall exercise the powers and perform
35 the duties delegated by the board and vested in them by this
36 chapter.

37 (d) With the approval of the director, the board shall fix the
38 salary of the executive officer.

39 (e) The chairperson and executive officer may call meetings of
40 the board and any duly appointed committee at a specified time

1 and place. For purposes of this section, “call meetings” means
2 setting the agenda, time, date, or place for any meeting of the board
3 or any committee.

4 (f) This section shall remain in effect only until January 1, 2022,
5 and as of that date is repealed.

6 ~~SEC. 35.~~

7 *SEC. 48.* Section 5600.4 of the Business and Professions Code
8 is amended to read:

9 5600.4. (a) The board shall issue, upon application and
10 payment of the fee fixed by this chapter, a retired license to an
11 architect who holds a license that is current and active or capable
12 of being renewed pursuant to Section 5600.2 and whose license
13 is not suspended, revoked, or otherwise punitively restricted by
14 the board or subject to disciplinary action under this chapter.

15 (b) The holder of a retired license issued pursuant to this section
16 shall not engage in any activity for which an active architect’s
17 license is required. An architect holding a retired license shall be
18 permitted to use the title “architect retired” or “retired architect.”

19 (c) The holder of a retired license shall not be required to renew
20 that license.

21 (d) In order for the holder of a retired license issued pursuant
22 to this section to restore their license to active status, the holder
23 of a retired license shall comply with Section 5600.2 or 5600.3,
24 as applicable.

25 ~~SEC. 36.~~

26 *SEC. 49.* Section 5650.5 is added to the Business and
27 Professions Code, to read:

28 5650.5. (a) Pursuant to Section 144, the board has the authority
29 to obtain and review criminal offender record information. The
30 information obtained as a result of the fingerprinting shall be used
31 in accordance with Section 11105 of the Penal Code to determine
32 whether the applicant is subject to denial of license pursuant to
33 Division 1.5 (commencing with Section 475) or Section 5660,
34 5675, or 5676.

35 (b) As a condition of application for a license, each applicant
36 shall furnish to the Department of Justice a full set of fingerprints
37 for the purpose of conducting a criminal history record check and
38 to undergo a state- and federal- level criminal offender record
39 information search conducted through the Department of Justice.

1 (c) The board shall request from the Department of Justice
2 subsequent arrest notification service, pursuant to subdivision (p)
3 of Section 11105 of the Penal Code.

4 (d) The applicant shall pay the reasonable regulatory costs for
5 furnishing the fingerprints and conducting the searches.

6 (e) The applicant shall certify, under penalty of perjury, when
7 applying for a license whether the applicant’s fingerprints have
8 been furnished to the Department of Justice in compliance with
9 this section.

10 (f) Failure to comply with the requirements of this section
11 renders the application for a license incomplete, and the application
12 shall not be considered until the applicant demonstrates compliance
13 with all requirements of this section.

14 (g) Notwithstanding any other law, the results of any criminal
15 offender record information request by either state or federal law
16 enforcement authorities shall not be released by the board except
17 in accordance with state and federal requirements.

18 (h) As used in this section, the term “applicant” shall be limited
19 to an initial applicant who has never been registered or licensed
20 by the board or to an applicant for a new licensure or registration
21 category.

22 (i) As a condition of petitioning the board for reinstatement of
23 a revoked or surrendered license, an applicant shall comply with
24 subdivision (a).

25 *SEC. 50. Section 5810 of the Business and Professions Code*
26 *is amended to read:*

27 5810. (a) This chapter shall be subject to review by the
28 appropriate policy committees of the Legislature.

29 (b) This chapter shall remain in effect only until January 1,
30 ~~2022~~, 2023, and as of that date is repealed.

31 ~~SEC. 37.~~

32 *SEC. 51. Section 7000 of the Business and Professions Code*
33 *is amended to read:*

34 7000. This chapter constitutes, and may be cited as, the
35 Contractors State License Law.

36 ~~SEC. 38.~~

37 *SEC. 52. Section 7000.5 of the Business and Professions Code*
38 *is amended to read:*

39 7000.5. (a) There is in the Department of Consumer Affairs
40 a Contractors State License Board, which consists of 15 members.

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

4 (c) This section shall remain in effect only until January 1, 2024,
5 and as of that date is repealed.

6 ~~SEC. 39.~~

7 *SEC. 53.* Section 7000.6 of the Business and Professions Code
8 is amended to read:

9 7000.6. Protection of the public shall be the highest priority
10 for the Contractors State License Board in exercising its licensing,
11 regulatory, and disciplinary functions. Whenever the protection
12 of the public is inconsistent with other interests sought to be
13 promoted, the protection of the public shall be paramount.

14 ~~SEC. 40.~~

15 *SEC. 54.* Section 7011.4 of the Business and Professions Code
16 is amended to read:

17 7011.4. (a) Notwithstanding Section 7011, there is in the
18 Contractors State License Board, a separate enforcement division
19 that shall rigorously enforce this chapter prohibiting all forms of
20 unlicensed activity and shall enforce the obligation to secure the
21 payment of valid and current workers' compensation insurance in
22 accordance with Section 3700.5 of the Labor Code.

23 (b) Persons employed as enforcement representatives of the
24 Contractors State License Board and designated by the Director
25 of Consumer Affairs shall have the authority to issue a written
26 notice to appear in court pursuant to Chapter 5C (commencing
27 with Section 853.5) of Title 3 of Part 2 of the Penal Code. An
28 employee so designated is not a peace officer and is not entitled
29 to safety member retirement benefits as a result of that designation.
30 They do not have the power of arrest.

31 (c) When participating in the activities of the Joint Enforcement
32 Strike Force on the Underground Economy pursuant to Section
33 329 of the Unemployment Insurance Code, the enforcement
34 division shall have free access to all places of labor.

35 ~~SEC. 41.~~

36 *SEC. 55.* Section 7011.5 of the Business and Professions Code
37 is amended to read:

38 7011.5. Persons employed as investigators of the Special
39 Investigations Unit of the Contractors State License Board and
40 designated by the Director of Consumer Affairs have the authority

1 of peace officers while engaged in exercising the powers granted
2 or performing the duties imposed upon them in investigating the
3 laws administered by the Contractors State License Board or
4 commencing directly or indirectly any criminal prosecution arising
5 from any investigation conducted under these laws. All persons
6 herein referred to shall be deemed to be acting within the scope
7 of employment with respect to all acts and matters in this section
8 set forth.

9 ~~SEC. 42.~~

10 *SEC. 56.* Section 7011.8 of the Business and Professions Code
11 is amended to read:

12 7011.8. (a) Any person subject to licensure under this chapter
13 who reports to, or causes a complaint to be filed with, the
14 Contractors State License Board that a person licensed by that
15 entity has engaged in professional misconduct, knowing the report
16 or complaint to be false, may be issued a citation by the registrar.

17 (b) The board may notify the appropriate district attorney or
18 city attorney that a person subject to licensure under this chapter
19 has made or filed what the entity believes to be a false report or
20 complaint against a licensee.

21 ~~SEC. 43.~~

22 *SEC. 57.* Section 7015 of the Business and Professions Code
23 is amended to read:

24 7015. The board shall adopt a seal for its own use. The seal
25 shall have the words “Contractors State License Board, State of
26 California, Department of Consumer Affairs,” and the care and
27 custody thereof shall be in the hands of the registrar.

28 ~~SEC. 44.~~

29 *SEC. 58.* Section 7017.3 of the Business and Professions Code
30 is amended to read:

31 7017.3. The Contractors State License Board shall report
32 annually to the Legislature, not later than October 1 of each year,
33 the following statistical information for the prior fiscal year. The
34 following data shall be reported on complaints filed with the board
35 against licensed contractors, registered home improvement
36 salespersons, and unlicensed persons acting as licensees or
37 registrants:

38 (a) The number of complaints received by the board categorized
39 by source, such as public, trade, profession, government agency,

1 or board-initiated, and by type of complaint, such as licensee or
2 nonlicensee.

3 (b) The number of complaints closed prior to referral for field
4 investigation, categorized by the reason for the closure, such as
5 settled, referred for mandatory arbitration, or referred for voluntary
6 arbitration.

7 (c) The number of complaints referred for field investigation
8 categorized by the type of complaint, such as licensee or
9 nonlicensee.

10 (d) The number of complaints closed after referral for field
11 investigation categorized by the reason for the closure, such as
12 settled, referred for mandatory arbitration, or referred for voluntary
13 arbitration.

14 (e) For the board’s Intake/Mediation Center and the board’s
15 Investigation Center closures, respectively, the total number of
16 complaints closed prior to a field investigation per consumer
17 services representative, and the total number of complaints closed
18 after referral for a field investigation per enforcement
19 representative. Additionally, the board shall report the total number
20 of complaints closed by other board staff during the year.

21 (f) The number of complaints pending at the end of the fiscal
22 year grouped in 90-day increments, and the percentage of total
23 complaints pending, represented by the number of complaints in
24 each grouping.

25 (g) The number of citations issued to licensees categorized by
26 the type of citation such as order of correction only or order of
27 correction and fine, and the number of citations issued to licensees
28 that were vacated or withdrawn.

29 (h) The number of citations issued to nonlicensees and the
30 number of these citations that were vacated or withdrawn.

31 (i) The number of complaints referred to a local prosecutor for
32 criminal investigation or prosecution, the number of complaints
33 referred to the Attorney General for the filing of an accusation,
34 and the number of complaints referred to both a local prosecutor
35 and the Attorney General, categorized by type of complaint, such
36 as licensee and nonlicensee.

37 (j) Actions taken by the board, including, but not limited to, the
38 following:

39 (1) The number of disciplinary actions categorized by type, such
40 as revocations or suspensions, categorized by whether the

1 disciplinary action resulted from an accusation, failure to comply
2 with a citation, or failure to comply with an arbitration award.

3 (2) The number of accusations dismissed or withdrawn.

4 (k) For subdivisions (g) and (j), the number of cases containing
5 violations of Sections 7121 and 7121.5, and paragraph (5) of
6 subdivision (a) of Section 7159.5, categorized by section.

7 (l) The number of interim suspension orders sought, the number
8 of interim suspension orders granted, the number of temporary
9 restraining orders sought, and the number of temporary restraining
10 orders granted.

11 (m) The amount of cost recovery ordered and the amount
12 collected.

13 (n) Case aging data, including data for each major stage of the
14 enforcement process, including the following:

15 (1) The average number of days from the filing of a complaint
16 to its closure by the board's Intake/Mediation Center prior to the
17 referral for an investigation categorized by the type of complaint,
18 such as licensee or nonlicensee.

19 (2) The average number of days from the referral of a complaint
20 for an investigation to its closure by the Investigation Center
21 categorized by the type of complaint, such as licensee or
22 nonlicensee.

23 (3) The average number of days from the filing of a complaint
24 to the referral of the completed investigation to the Attorney
25 General.

26 (4) The average number of days from the referral of a completed
27 investigation to the Attorney General to the filing of an accusation
28 by the Attorney General.

29 (5) The average number of days from the filing of an accusation
30 to the first hearing date or date of a stipulated settlement.

31 (6) The average number of days from the receipt of the
32 Administrative Law Judge's proposed decision to the registrar's
33 final decision.

34 ~~SEC. 45.~~

35 *SEC. 59.* Section 7028.7 of the Business and Professions Code
36 is amended to read:

37 7028.7. (a) If upon inspection or investigation, either upon
38 complaint or otherwise, the registrar has probable cause to believe
39 that a person is acting in the capacity of or engaging in the business
40 of a contractor or salesperson within this state without having a

1 license or registration in good standing to so act or engage, and
2 the person is not otherwise exempted from this chapter, the registrar
3 shall issue a citation to that person.

4 (b) Within 72 hours of receiving notice that a public entity is
5 intending to award, or has awarded, a contract to an unlicensed
6 contractor, the registrar shall give written notice to the public entity
7 that a citation may be issued if a contract is awarded to an
8 unlicensed contractor. If after receiving the written notice from
9 the registrar that the public entity has awarded or awards the
10 contract to an unlicensed contractor, the registrar may issue a
11 citation to the responsible officer or employee of the public entity
12 as specified in Section 7028.15.

13 (c) Each citation shall be in writing and shall describe with
14 particularity the basis of the citation. Notwithstanding Sections
15 125.9 and 148, each citation shall contain an order of abatement
16 and an assessment of a civil penalty in an amount not less than
17 two hundred dollars (\$200) nor more than fifteen thousand dollars
18 (\$15,000).

19 (d) With the approval of the Contractors State License Board,
20 the registrar shall prescribe procedures for the issuance of a citation
21 under this section. The board shall adopt regulations covering the
22 assessment of a civil penalty that shall give due consideration to
23 the gravity of the violation, and any history of previous violations.

24 (e) The sanctions authorized under this section shall be separate
25 from, and in addition to, all other remedies either civil or criminal.

26 ~~SEC. 46.~~

27 *SEC. 60.* Section 7030 of the Business and Professions Code
28 is amended to read:

29 7030. (a) Except for contractors writing home improvement
30 contracts pursuant to Section 7151.2 and contractors writing service
31 and repair contracts pursuant to Section 7159.10, every person
32 licensed pursuant to this chapter shall include the following
33 statement in at least 10-point type on all written contracts with
34 respect to which the person is a prime contractor:

35
36 “Contractors are required by law to be licensed and regulated
37 by the Contractors State License Board which has jurisdiction to
38 investigate complaints against contractors if a complaint regarding
39 a patent act or omission is filed within four years of the date of the
40 alleged violation. A complaint regarding a latent act or omission

1 pertaining to structural defects must be filed within 10 years of
2 the date of the alleged violation. Any questions concerning a
3 contractor may be referred to the Registrar, Contractors State
4 License Board, P.O. Box 26000, Sacramento, CA 95826.”

5
6 (b) Every person licensed pursuant to this chapter shall include
7 the following statement in at least 12-point type in all home
8 improvement contracts written pursuant to Section 7151.2 and
9 service and repair contracts written pursuant to Section 7159.10:

10
11 “Information about the Contractors State License Board (CSLB):
12 CSLB is the state consumer protection agency that licenses and
13 regulates construction contractors.

14 Contact CSLB for information about the licensed contractor you
15 are considering, including information about disclosable
16 complaints, disciplinary actions and civil judgments that are
17 reported to CSLB.

18 Use only licensed contractors. If you file a complaint against a
19 licensed contractor within the legal deadline (usually four years),
20 CSLB has authority to investigate the complaint. If you use an
21 unlicensed contractor, CSLB may not be able to help you resolve
22 your complaint. Your only remedy may be in civil court, and you
23 may be liable for damages arising out of any injuries to the
24 unlicensed contractor or the unlicensed contractor’s employees.

25 For more information:

26 Visit CSLB’s internet website at www.cslb.ca.gov

27 Call CSLB at 800-321-CSLB (2752)

28 Write CSLB at P.O. Box 26000, Sacramento, CA 95826.”

29
30 (c) Failure to comply with the notice requirements set forth in
31 subdivision (a) or (b) of this section is cause for disciplinary action.

32 ~~SEC. 47.~~

33 *SEC. 61.* Section 7031 of the Business and Professions Code
34 is amended to read:

35 7031. (a) Except as provided in subdivision (e), no person
36 engaged in the business or acting in the capacity of a contractor,
37 may bring or maintain any action, or recover in law or equity in
38 any action, in any court of this state for the collection of
39 compensation for the performance of any act or contract where a
40 license is required by this chapter without alleging that they were

1 a duly licensed contractor at all times during the performance of
2 that act or contract regardless of the merits of the cause of action
3 brought by the person, except that this prohibition shall not apply
4 to contractors who are each individually licensed under this chapter
5 but who fail to comply with Section 7029.

6 (b) Except as provided in subdivision (e), a person who utilizes
7 the services of an unlicensed contractor may bring an action in
8 any court of competent jurisdiction in this state to recover all
9 compensation paid to the unlicensed contractor for performance
10 of any act or contract.

11 (c) A security interest taken to secure any payment for the
12 performance of any act or contract for which a license is required
13 by this chapter is unenforceable if the person performing the act
14 or contract was not a duly licensed contractor at all times during
15 the performance of the act or contract.

16 (d) If licensure or proper licensure is controverted, then proof
17 of licensure pursuant to this section shall be made by production
18 of a verified certificate of licensure from the Contractors State
19 License Board which establishes that the individual or entity
20 bringing the action was duly licensed in the proper classification
21 of contractors at all times during the performance of any act or
22 contract covered by the action. Nothing in this subdivision shall
23 require any person or entity controverting licensure or proper
24 licensure to produce a verified certificate. When licensure or proper
25 licensure is controverted, the burden of proof to establish licensure
26 or proper licensure shall be on the licensee.

27 (e) The judicial doctrine of substantial compliance shall not
28 apply under this section where the person who engaged in the
29 business or acted in the capacity of a contractor has never been a
30 duly licensed contractor in this state. However, notwithstanding
31 subdivision (b) of Section 143, the court may determine that there
32 has been substantial compliance with licensure requirements under
33 this section if it is shown at an evidentiary hearing that the person
34 who engaged in the business or acted in the capacity of a contractor
35 (1) had been duly licensed as a contractor in this state prior to the
36 performance of the act or contract, (2) acted reasonably and in
37 good faith to maintain proper licensure, and (3) acted promptly
38 and in good faith to remedy the failure to comply with the licensure
39 requirements upon learning of the failure.

1 (f) The exceptions to the prohibition against the application of
2 the judicial doctrine of substantial compliance found in subdivision
3 (e) shall apply to all contracts entered into on or after January 1,
4 1992, and to all actions or arbitrations arising therefrom, except
5 that the amendments to subdivisions (e) and (f) enacted during the
6 1994 portion of the 1993–94 Regular Session of the Legislature
7 shall not apply to either of the following:

8 (1) Any legal action or arbitration commenced prior to January
9 1, 1995, regardless of the date on which the parties entered into
10 the contract.

11 (2) Any legal action or arbitration commenced on or after
12 January 1, 1995, if the legal action or arbitration was commenced
13 prior to January 1, 1995, and was subsequently dismissed.

14 ~~SEC. 48.~~

15 *SEC. 62.* Section 7058.7 of the Business and Professions Code
16 is amended to read:

17 7058.7. (a) No contractor may engage in a removal or remedial
18 action, as defined in subdivision (d), unless the qualifier for the
19 license has passed an approved hazardous substance certification
20 examination.

21 (b) (1) The Contractors State License Board, the Division of
22 Occupational Safety and Health of the Department of Industrial
23 Relations, and the Department of Toxic Substances Control shall
24 jointly select an advisory committee, which shall be composed of
25 two representatives of hazardous substance removal workers in
26 California, two general engineering contractors in California, and
27 two representatives of insurance companies in California who shall
28 be selected by the Insurance Commissioner.

29 (2) The Contractors State License Board shall develop a written
30 test for the certification of contractors engaged in hazardous
31 substance removal or remedial action, in consultation with the
32 Division of Occupational Safety and Health, the State Water
33 Resources Control Board, the Department of Toxic Substances
34 Control, and the advisory committee.

35 (c) The Contractors State License Board may require additional
36 updated approved hazardous substance certification examinations
37 of licensees currently certified based on new public or occupational
38 health and safety information. The Contractors State License Board,
39 in consultation with the Department of Toxic Substances Control
40 and the State Water Resources Control Board, shall approve other

1 initial and updated hazardous substance certification examinations
2 and determine whether to require an updated certification
3 examination of all current certificate holders.

4 (d) For purposes of this section “removal or remedial action”
5 has the same meaning as found in Chapter 6.8 (commencing with
6 Section 25300) of Division 20 of the Health and Safety Code, if
7 the action requires the contractor to dig into the surface of the earth
8 and remove the dug material and the action is at a site listed
9 pursuant to Section 25356 of the Health and Safety Code or any
10 other site listed as a hazardous substance release site by the
11 Department of Toxic Substances Control or a site listed on the
12 National Priorities List compiled pursuant to the Comprehensive
13 Environmental Response, Compensation, and Liability Act of 1980
14 (42 U.S.C. Sec. 9601 et seq.). “Removal or remedial action” does
15 not include asbestos-related work, as defined in Section 6501.8 of
16 the Labor Code, or work related to a hazardous substance spill on
17 a highway.

18 (e) (1) A contractor may not install or remove an underground
19 storage tank, unless the contractor has passed the hazardous
20 substance certification examination developed pursuant to this
21 section.

22 (2) A contractor who is not certified may bid on or contract for
23 the installation or removal of an underground tank, if the work is
24 performed by a contractor who is certified pursuant to this section.

25 (3) For purposes of this subdivision, “underground storage tank”
26 has the same meaning as defined in subdivision (y) of Section
27 25281 of the Health and Safety Code.

28 ~~SEC. 49.~~

29 *SEC. 63.* Section 7071.4 of the Business and Professions Code
30 is amended to read:

31 7071.4. (a) Each person licensed under the provisions of this
32 chapter and subject to any of the bonding provisions of this article
33 shall maintain the requisite bond as executed by an admitted surety
34 insurer or as deposited with the registrar pursuant to paragraph (1)
35 of subdivision (a) of Section 995.710 of the Code of Civil
36 Procedure in the appropriate amount. Notwithstanding Article 7
37 (commencing with Section 995.710) of Chapter 2 of Title 14 of
38 Part 2 of the Code of Civil Procedure, no other method of deposit,
39 including, but not limited to, a certificate of deposit, shall satisfy
40 a bond requirement under this article.

1 (b) All existing alternatives in lieu of a bond currently filed with
2 the registrar shall be replaced for a surety bond or the deposit
3 prescribed by paragraph (1) of subdivision (a) of Section 995.710
4 of the Code of Civil Procedure by January 1, 2020.

5 (c) (1) If the board is notified, in writing, of a civil action
6 against the deposit authorized under this section, the deposit or
7 any portion thereof shall not be released for any purpose, except
8 as determined by the court.

9 (2) If any deposit authorized under this section is insufficient
10 to pay, in full, all claims that have been adjudicated under any
11 action filed in accordance with this section, the amount of the
12 deposit shall be distributed to all claimants in proportion to the
13 amount of their respective claims.

14 (d) Notwithstanding subdivision (a), this section shall not apply
15 to the bond equivalents described in Section 7159.5 of this chapter.

16 (e) (1) This section shall be operative on and after January 1,
17 2019, upon which date the registrar shall thereafter no longer accept
18 alternatives in lieu of a bond, other than as provided in this section.

19 (2) Notwithstanding any other law, in order to comply with the
20 bonding provisions of this article, a person shall only be required
21 to provide information consistent with the requirements for an
22 applicant under Section 30.

23 (f) All alternatives in lieu of a bond filed with the registrar before
24 January 1, 2019, and any lawful money or cashier's check
25 deposited pursuant to paragraph (1) of subdivision (a) of Section
26 995.710 of the Code of Civil Procedure after January 1, 2019, shall
27 be subject to the following limitations periods:

28 (1) Any action, other than an action to recover wages or fringe
29 benefits, against a deposit given in lieu of a contractor's bond or
30 bond of a qualifying individual filed by an active licensee shall be
31 brought within three years after the expiration of the license period
32 during which the act or omission occurred, or within three years
33 of the date the license of the active licensee was inactivated,
34 canceled, or revoked by the board, whichever occurs first.

35 (2) Any action, other than an action to recover wages or fringe
36 benefits, against a deposit given in lieu of a disciplinary bond filed
37 by an active licensee pursuant to Section 7071.8 shall be brought
38 within three years after the expiration of the license period during
39 which the act or omission occurred, or within three years of the
40 date the license of the active licensee was inactivated, canceled,

1 or revoked by the board, or within three years after the last date
2 for which a deposit given in lieu of a disciplinary bond filed
3 pursuant to Section 7071.8 was required, whichever date is first.

4 (3) A claim to recover wages or fringe benefits shall be brought
5 within six months from the date that the wage or fringe benefit
6 delinquencies were discovered, but in no event shall a civil action
7 thereon be brought later than two years from the date the wage or
8 fringe benefit contributions were due.

9 (g) In any case in which a claim is filed against an alternative
10 given in lieu of a bond filed with the registrar before January 1,
11 2019, or deposited with the registrar pursuant to subdivision (a),
12 by any employee or by an employee organization on behalf of an
13 employee, concerning wages or fringe benefits based upon the
14 employee's employment, claims for the nonpayment shall be filed
15 with the Labor Commissioner. The Labor Commissioner shall,
16 pursuant to the authority vested by Section 96.5 of the Labor Code,
17 conduct hearings to determine whether or not the wages or fringe
18 benefits should be paid to the complainant. Upon a finding by the
19 commissioner that the wages or fringe benefits should be paid to
20 the complainant, the commissioner shall notify the registrar of the
21 findings. The registrar shall not make payment from the deposit
22 on the basis of findings by the commissioner for a period of 10
23 days following determination of the findings. If, within the period,
24 the complainant or the contractor files written notice with the
25 registrar and the commissioner of an intention to seek judicial
26 review of the findings pursuant to Section 11523 of the
27 Government Code, the registrar shall not make payment if an action
28 is actually filed, except as determined by the court. If, thereafter,
29 no action is filed within 60 days following determination of
30 findings by the commissioner, the registrar shall make payment
31 from the deposit to the complainant.

32 (h) Legal fees may not be charged by the board against any
33 alternative given in lieu of a bond filed with the registrar before
34 January 1, 2019, or deposited with the registrar pursuant to
35 subdivision (a).

36 ~~SEC. 50.~~

37 *SEC. 64.* Section 7080.5 of the Business and Professions Code
38 is amended to read:

39 7080.5. When an application has been accepted by the registrar,
40 the name and address of the applicant, every classification for

1 which the applicant has applied, and the names and titles of all
2 personnel who have signed the application shall be publicly posted
3 by the registrar, on the day following acceptance, in the office of
4 the Contractors State License Board in Sacramento.

5 ~~SEC. 51.~~

6 *SEC. 65.* Section 7085.5 of the Business and Professions Code
7 is amended to read:

8 7085.5. Arbitrations of disputes arising out of cases filed with
9 or by the board shall be conducted in accordance with the following
10 rules:

11 (a) All “agreements to arbitrate” shall include the names,
12 addresses, and telephone numbers of the parties to the dispute, the
13 issue in dispute, and the amount in dollars or any other remedy
14 sought. The appropriate fee shall be paid by the board from the
15 Contractors License Fund.

16 (b) (1) The board or appointed arbitration association shall
17 appoint an arbitrator in the following manner: immediately after
18 the filing of the agreement to arbitrate, the board or appointed
19 arbitration association shall submit simultaneously to each party
20 to the dispute, an identical list of names of persons chosen from
21 the panel. Each party to the dispute shall have seven days from
22 the mailing date in which to cross off any names to which it objects,
23 number the remaining names to indicate the order of preference,
24 and return the list to the board or appointed arbitration association.
25 If a party does not return the list within the time specified, all
26 persons named in the list are acceptable. From among the persons
27 who have been approved on both lists, and in accordance with the
28 designated order of mutual preference, the board or appointed
29 arbitration association shall appoint an arbitrator to serve. If the
30 parties fail to agree on any of the parties named, if acceptable
31 arbitrators are unable to act, or if, for any other reason, the
32 appointment cannot be made from the submitted lists, the board
33 or appointed arbitration association shall have the power to make
34 the appointment from among other members of the panel without
35 the submission of any additional lists. Each dispute shall be heard
36 and determined by one arbitrator unless the board or appointed
37 arbitration association, in its discretion, directs that a greater
38 number of arbitrators be appointed.

39 (2) In all cases in which a complaint has been referred to
40 arbitration pursuant to subdivision (b) of Section 7085, the board

1 or the appointed arbitration association shall have the power to
2 appoint an arbitrator to hear the matter.

3 (3) The board shall adopt regulations setting minimum
4 qualification standards for listed arbitrators based upon relevant
5 training, experience, and performance.

6 (c) No person shall serve as an arbitrator in any arbitration in
7 which that person has any financial or personal interest in the result
8 of the arbitration. Prior to accepting an appointment, the
9 prospective arbitrator shall disclose any circumstances likely to
10 prevent a prompt hearing or to create a presumption of bias. Upon
11 receipt of that information, the board or appointed arbitration
12 association shall immediately replace the arbitrator or communicate
13 the information to the parties for their comments. Thereafter, the
14 board or appointed arbitration association shall determine whether
15 the arbitrator should be disqualified and shall inform the parties
16 of its decision, which shall be conclusive.

17 (d) The board or appointed arbitration association may appoint
18 another arbitrator if a vacancy occurs, or if an appointed arbitrator
19 is unable to serve in a timely manner.

20 (e) (1) The board or appointed arbitration association shall
21 provide the parties with a list of the times and dates, and locations
22 of the hearing to be held. The parties shall notify the arbitrator,
23 within seven calendar days of the mailing of the list, of the times
24 and dates convenient to each party. If the parties fail to respond
25 to the arbitrator within the seven-day period, the arbitrator shall
26 fix the time, place, and location of the hearing. An arbitrator may,
27 at the arbitrator's sole discretion, make an inspection of the
28 construction site which is the subject of the arbitration. The
29 arbitrator shall notify the parties of the time and date set for the
30 inspection. Any party who so desires may be present at the
31 inspection.

32 (2) The board or appointed arbitration association shall fix the
33 time, place, and location of the hearing for all cases referred to
34 arbitration pursuant to subdivision (b) of Section 7085. An
35 arbitrator may, at the arbitrator's sole discretion, make an
36 inspection of the construction site which is the subject of the
37 arbitration. The arbitrator shall notify the parties of the time and
38 date set for the inspection. Any party who desires may be present
39 at the inspection.

1 (f) Any person having a direct interest in the arbitration is
2 entitled to attend the hearing. The arbitrator shall otherwise have
3 the power to require the exclusion of any witness, other than a
4 party or other essential person, during the testimony of any other
5 witness. It shall be discretionary with the arbitrator to determine
6 the propriety of the attendance of any other person.

7 (g) Hearings shall be adjourned by the arbitrator only for good
8 cause.

9 (h) A record is not required to be taken of the proceedings.
10 However, any party to the proceeding may have a record made at
11 its own expense. The parties may make appropriate notes of the
12 proceedings.

13 (i) The hearing shall be conducted by the arbitrator in any
14 manner which will permit full and expeditious presentation of the
15 case by both parties. Consistent with the expedited nature of
16 arbitration, the arbitrator shall establish the extent of, and schedule
17 for, the production of relevant documents and other information,
18 the identification of any witnesses to be called, and a schedule for
19 any hearings to elicit facts solely within the knowledge of one
20 party. The complaining party shall present its claims, proofs, and
21 witnesses, who shall submit to questions or other examination.
22 The defending party shall then present its defenses, proofs, and
23 witnesses, who shall submit to questions or other examination.
24 The arbitrator has discretion to vary this procedure but shall afford
25 full and equal opportunity to the parties for the presentation of any
26 material or relevant proofs.

27 (j) The arbitration may proceed in the absence of any party who,
28 after due notice, fails to be present. The arbitrator shall require the
29 attending party to submit supporting evidence in order to make an
30 award. An award for the attending party shall not be based solely
31 on the fact that the other party has failed to appear at the arbitration
32 hearing.

33 (k) The arbitrator shall be the sole judge of the relevancy and
34 materiality of the evidence offered and conformity to legal rules
35 of evidence shall not be required.

36 (l) The arbitrator may receive and consider documentary
37 evidence. Documents to be considered by the arbitrator may be
38 submitted prior to the hearing. However, a copy shall be
39 simultaneously transmitted to all other parties and to the board or

1 appointed arbitration association for transmittal to the arbitrator
2 or board appointed arbitrator.

3 (m) The arbitrator shall specifically inquire of the parties
4 whether they have any further proofs to offer or witnesses to be
5 heard. Upon receiving negative replies, the arbitrator shall declare
6 the hearing closed and minutes thereof shall be recorded. If briefs
7 are to be filed, the hearing shall be declared closed as of the final
8 date set by the arbitrator for the receipt of briefs. If documents are
9 to be filed as requested by the arbitrator and the date set for their
10 receipt is later than that set for the receipt of briefs, the later date
11 shall be the date of closing the hearings. The time limit within
12 which the arbitrator is required to make the award shall commence
13 to run, in the absence of other agreements by the parties, upon the
14 closing of the hearings.

15 (n) The hearing may be reopened on the arbitrator's own motion.

16 (o) Any party who proceeds with the arbitration after knowledge
17 that any provision or requirement of these rules has not been
18 complied with, and who fails to state their objections to the
19 arbitrator in writing, within 10 calendar days of close of hearing,
20 shall be deemed to have waived their right to object.

21 (p) (1) Except as provided in paragraph (2), any papers or
22 process necessary or proper for the initiation or continuation of an
23 arbitration under these rules and for any court action in connection
24 therewith, or for the entry of judgment on an award made
25 thereunder, may be served upon any party (A) by regular mail
26 addressed to that party or their attorney at the party's last known
27 address, or (B) by personal service.

28 (2) Notwithstanding paragraph (1), in all cases referred to
29 arbitration pursuant to subdivision (b) of Section 7085 in which
30 the contractor fails or refuses to return an executed copy of the
31 notice to arbitrate within the time specified, any papers or process
32 specified in paragraph (1) to be sent to the contractor, including
33 the notice of hearing, shall be mailed by certified mail to the
34 contractor's address of record.

35 (q) The award shall be made promptly by the arbitrator, and
36 unless otherwise agreed by the parties, no later than 30 calendar
37 days from the date of closing the hearing, closing a reopened
38 hearing, or if oral hearing has been waived, from the date of
39 transmitting the final statements and proofs to the arbitrator.

1 The arbitrator may for good cause extend any period of time
2 established by these rules, except the time for making the award.
3 The arbitrator shall notify the parties of any extension and the
4 reason therefor.

5 (r) (1) The arbitrator may grant any remedy or relief that the
6 arbitrator deems just and equitable and within the scope of the
7 board's referral and the requirements of the board. The arbitrator,
8 in their sole discretion, may award costs or expenses.

9 (2) The amendments made in paragraph (1) during the 2003–04
10 Regular Session shall not be interpreted to prevent an arbitrator
11 from awarding a complainant all direct costs and expenses for the
12 completion or repair of the project.

13 (s) The award shall become final 30 calendar days from the date
14 the arbitration award is issued. The arbitrator, upon written
15 application of a party to the arbitration, may correct the award
16 upon the following grounds:

17 (1) There was an evident miscalculation of figures or an evident
18 mistake in the description of any person, things, or property
19 referred to in the award.

20 (2) There is any other clerical error in the award, not affecting
21 the merits of the controversy.

22 An application for correction of the award shall be made within
23 10 calendar days of the date of service of the award by serving a
24 copy of the application on the arbitrator, and all other parties to
25 the arbitration. Any party to the arbitration may make a written
26 objection to the application for correction by serving a copy of the
27 written objection on the arbitrator, the board, and all other parties
28 to the arbitration, within 10 calendar days of the date of service of
29 the application for correction.

30 The arbitrator shall either deny the application or correct the
31 award within 30 calendar days of the date of service of the original
32 award by mailing a copy of the denial or correction to all parties
33 to the arbitration. Any appeal from the denial or correction shall
34 be filed with a court of competent jurisdiction and a true copy
35 thereof shall be filed with the arbitrator or appointed arbitration
36 association within 30 calendar days after the award has become
37 final. The award shall be in writing, and shall be signed by the
38 arbitrator or a majority of them. If no appeal is filed within the
39 30-calendar day period, it shall become a final order of the registrar.

1 (t) Service of the award by certified mail shall be effective if a
2 certified letter containing the award, or a true copy thereof, is
3 mailed by the arbitrator or arbitration association to each party or
4 to a party's attorney of record at their last known address, address
5 of record, or by personally serving any party. Service may be
6 proved in the manner authorized in civil actions.

7 (u) The board shall pay the expenses of one expert witness
8 appointed by the board when the services of an expert witness are
9 requested by either party involved in arbitration pursuant to this
10 article and the case involves workmanship issues that are itemized
11 in the complaint and have not been repaired or replaced. Parties
12 who choose to present the findings of another expert witness as
13 evidence shall pay for those services. Payment for expert witnesses
14 appointed by the board shall be limited to the expert witness costs
15 for inspection of the problem at the construction site, preparation
16 of the expert witness' report, and expert witness fees for appearing
17 or testifying at a hearing. All requests for payment to an expert
18 witness shall be submitted on a form that has been approved by
19 the registrar. All requests for payment to an expert witness shall
20 be reviewed and approved by the board prior to payment. The
21 registrar shall advise the parties that names of industry experts
22 may be obtained by requesting this information from the registrar.

23 (v) The arbitrator shall interpret and apply these rules insofar
24 as they relate to their powers and duties.

25 (w) The following shall apply as to court procedure and
26 exclusion of liability:

27 (1) The board, the appointed arbitration association, or any
28 arbitrator in a proceeding under these rules is not a necessary party
29 in judicial proceedings relating to the arbitration.

30 (2) Parties to these rules shall be deemed to have consented that
31 judgment upon the arbitration award may be entered in any federal
32 or state court having jurisdiction thereof.

33 (3) The board, the appointed arbitration association, or any
34 arbitrator is not liable to any party for any act or omission in
35 connection with any arbitration conducted under these rules.

36 ~~SEC. 52.~~

37 *SEC. 66.* Section 7099.2 of the Business and Professions Code
38 is amended to read:

39 7099.2. (a) The board shall promulgate regulations covering
40 the assessment of civil penalties under this article that give due

1 consideration to the appropriateness of the penalty with respect to
2 the following factors:

- 3 (1) The gravity of the violation.
- 4 (2) The good faith of the licensee or applicant for licensure
5 being charged.
- 6 (3) The history of previous violations.

7 (b) Except as otherwise provided by this chapter, no civil penalty
8 shall be assessed in an amount greater than five thousand dollars
9 (\$5,000). Notwithstanding Section 125.9, a civil penalty not to
10 exceed fifteen thousand dollars (\$15,000) may be assessed for a
11 violation of Section 7114 or 7118.

12 ~~SEC. 53.~~

13 *SEC. 67.* Section 7099.9 is added to the Business and
14 Professions Code, to read:

15 7099.9. (a) If, upon investigation, the registrar has probable
16 cause to believe that a licensee, registrant, or applicant has
17 committed acts or omissions that are grounds for denial,
18 suspension, or revocation of a license or registration, the registrar,
19 or their designee, may issue a letter of admonishment to an
20 applicant, licensee, or registrant in lieu of issuing a citation.
21 Nothing in this article shall in any way limit the registrar's
22 discretionary authority or ability to issue a letter of admonishment
23 as prescribed by this subdivision.

24 (b) The letter of admonishment shall be in writing and shall
25 describe in detail the nature and facts of the violation, including a
26 reference to the statutes or regulations violated. The letter of
27 admonishment shall inform the licensee, registrant, or applicant
28 that within 30 days of service of the letter of admonishment the
29 licensee, registrant, or applicant may do either of the following:

30 (1) Submit a written request for an office conference to the
31 registrar to contest the letter of admonishment. Upon a timely
32 request, the registrar, or their designee, shall hold an office
33 conference with the licensee, registrant, or applicant and, if
34 applicable, their legal counsel or authorized representative.

35 (A) No individual other than the legal counsel or authorized
36 representative of the licensee, registrant, or applicant may
37 accompany the licensee, registrant, or applicant to the office
38 conference.

1 (B) Prior to or at the office conference, the licensee, registrant,
2 or applicant may submit to the registrar declarations and documents
3 pertinent to the subject matter of the letter of admonishment.

4 (C) The office conference is intended to be informal and shall
5 not be subject to the Administrative Procedure Act (Chapter 4.5
6 commencing with Section 11400) or Chapter 5 (commencing with
7 Section 11500) of Part 1 of Division 3 of Title 2 of the Government
8 Code).

9 (D) After the office conference, the registrar, or their designee,
10 may affirm, modify, or withdraw the letter of admonishment.
11 Within 14 calendar days from the date of the office conference,
12 the registrar, or their designee, shall personally serve or send the
13 written decision by certified mail to the licensee's, registrant's, or
14 applicant's address of record. This decision shall be deemed the
15 final administrative decision concerning the letter of
16 admonishment.

17 (E) Judicial review of the decision may be had by filing a
18 petition for a writ of mandate in accordance with the provisions
19 of Section 1094.5 of the Code of Civil Procedure within 30 days
20 after the date the decision was personally served or sent by certified
21 mail. The judicial review shall extend to the question of whether
22 or not there was a prejudicial abuse of discretion in the issuance
23 of the letter of admonishment or in the decision after the office
24 conference.

25 (2) Comply with the letter of admonishment and, if required,
26 submit a written corrective action plan to the registrar documenting
27 compliance. If an office conference is not requested pursuant to
28 this section, compliance with the letter of admonishment shall not
29 constitute an admission of the violation noted in the letter of
30 admonishment.

31 (c) The letter of admonishment shall be served upon the licensee,
32 registrant, or applicant personally or by certified mail at their
33 address of record with the board. If the licensee, registrant, or
34 applicant is served by certified mail, service shall be effective upon
35 deposit in the United States mail.

36 (d) The licensee, registrant, or applicant shall maintain and have
37 readily available a copy of the letter of admonishment and
38 corrective action plan, if any, for at least one year from the date
39 of issuance of the letter of admonishment.

1 (e) Nothing in this subdivision shall in any way limit the board's
2 authority or ability to do either of the following:

3 (1) Issue a citation pursuant to Section 125.9, 148, or 7099.

4 (2) Institute disciplinary proceedings pursuant to this article.

5 (f) The issuance of a letter of admonishment shall not be
6 construed as a disciplinary action or discipline for purposes of
7 licensure or the reporting of discipline for licensure.

8 (g) The board shall not issue a letter of admonishment when
9 any one of the following factors is present:

10 (1) The licensee, registrant, or applicant was unlicensed at the
11 time of the violation.

12 (2) Multiple violations have been established.

13 (3) The licensee, registrant, or applicant has a history of the
14 same or similar violations.

15 (4) The violation resulted in financial harm to another.

16 (5) The victim is an elder or dependent adult as defined in
17 Section 368 of the Penal Code.

18 (6) The violation is related to the repair of damage caused by a
19 natural disaster.

20 (h) The board may adopt regulations to further define the
21 circumstances under which a letter of admonishment may be issued.

22 ~~SEC. 54.~~

23 *SEC. 68.* Section 7123.5 of the Business and Professions Code
24 is amended to read:

25 7123.5. If a contractor is convicted of violating Section 396 of
26 the Penal Code or any substantially similar local ordinance in
27 connection with the sale, or offer for sale, of repair or
28 reconstruction services, as defined in Section 396 of the Penal
29 Code, the Contractors State License Board shall take disciplinary
30 action against the contractor, which shall include a suspension of
31 at least six months or the permanent revocation of the contractor's
32 license.

33 ~~SEC. 55.~~

34 *SEC. 69.* Section 7135 of the Business and Professions Code
35 is amended to read:

36 7135. (a) The fees and civil penalties received under this
37 chapter shall be deposited in the Contractors License Fund. All
38 moneys in the fund are hereby appropriated for the purposes of
39 this chapter.

1 (b) It is the intent of the Legislature that the board shall use
2 moneys appropriated from the fund to improve its administrative
3 and investigative oversight activities and capacity.

4 ~~SEC. 56.~~

5 *SEC. 70.* Section 7136 of the Business and Professions Code
6 is amended to read:

7 7136. The director shall designate a sum not to exceed 10
8 percent of the total income of the Contractors State License Board
9 for each fiscal year to be transferred to the Consumer Affairs Fund
10 as the board’s share of the cost of administration of the department.

11 ~~SEC. 57.~~

12 *SEC. 71.* Section 7137 of the Business and Professions Code
13 is amended to read:

14 7137. The board may set fees by regulation. These fees shall
15 be set according to the following schedule:

16 (a) (1) The application fee for an original license in a single
17 classification shall be three hundred thirty dollars (\$330) and may
18 be increased to not more than three hundred seventy-five dollars
19 (\$375).

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

23 (3) The application fee for each additional classification pursuant
24 to Section 7059 shall be one hundred fifty dollars (\$150) and may
25 be increased to not more than one hundred seventy-five dollars
26 (\$175).

27 (4) The application fee to replace a responsible managing officer,
28 responsible managing manager, responsible managing member,
29 or responsible managing employee pursuant to Section 7068.2
30 shall be one hundred fifty dollars (\$150) and may be increased to
31 not more than one hundred seventy-five dollars (\$175).

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

36 (b) The fee for rescheduling an examination for an applicant
37 who has applied for an original license, additional classification,
38 a change of responsible managing officer, responsible managing
39 manager, responsible managing member, or responsible managing

1 employee, or for an asbestos certification or hazardous substance
2 removal certification, shall not be more than seventy dollars (\$70).

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

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

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

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

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

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

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

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

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

30 (k) In addition to any other fees charged to C-10 contractors,
31 the board shall charge a fee of twenty dollars (\$20), to be assessed
32 with the renewal fee for an active license, which shall be used by
33 the board to enforce provisions of the Labor Code related to
34 electrician certification.

35 (l) The service fee to deposit with the registrar lawful money
36 or cashier's check pursuant to paragraph (1) of subdivision (a) of
37 Section 995.710 of the Code of Civil Procedure for purposes of
38 compliance with any provision of Article 5 (commencing with
39 Section 7065) shall be one hundred dollars (\$100), which shall be
40 used by the board only to process each deposit filed with the

1 registrar, to cover the reasonable costs to the registrar for holding
2 money or cashier’s checks in trust in interest bearing deposit or
3 share accounts, and to offset the costs of processing payment of
4 lawful claims against a deposit in a civil action.

5 (m) The board shall, by regulation, establish criteria for the
6 approval of expedited processing of applications. Approved
7 expedited processing of applications for licensure or registration,
8 as required by other provisions of law, shall not be subject to this
9 subdivision.

10 ~~SEC. 58.~~

11 *SEC. 72.* Section 7137.5 of the Business and Professions Code
12 is amended to read:

13 7137.5. The sum of ten thousand dollars (\$10,000) shall be
14 transferred from the Contractors License Fund to the Controller
15 for the exclusive use of the California Uniform Construction Cost
16 Accounting Commission.

17 The commission shall prepare a recommendation to the
18 Legislature for a local public agency source to fund the commission
19 beginning July 1, 1991, which will provide revenue supported by
20 the contract activities represented by the commission’s authority.

21 Upon adoption of this funding program, the commission shall
22 reimburse the Contractors License Fund in the amount of ten
23 thousand dollars (\$10,000).

24 ~~SEC. 59.~~

25 *SEC. 73.* Section 7138 of the Business and Professions Code
26 is amended to read:

27 7138. Notwithstanding any other provision of law, a fee paid
28 in connection with a service or application covered by Section
29 7137 shall accrue to the Contractors License Fund as an earned
30 fee and shall not be refunded.

31 ~~SEC. 60.~~

32 *SEC. 74.* Section 7139.1 of the Business and Professions Code
33 is amended to read:

34 7139.1. The Legislature hereby finds and declares all of the
35 following:

36 (a) There is a demand and increasing need for construction
37 management education programs and resources within the
38 postsecondary education system that prepare graduates for the
39 management of construction operations and companies regulated

1 by the Contractors State License Law and enforced by the
2 Contractors State License Board.

3 (b) Although construction management programs do exist within
4 the state university system, these programs are woefully
5 underfunded and insufficiently funded to provide training on
6 state-of-the-art management information systems for either
7 graduates or extension programs for continuing education of
8 licensed contractors. Construction industry associations have
9 provided some assistance through direct grants and scholarships,
10 but the industrywide service of these programs and the need for
11 additional assistance mandates broad based industrywide support.

12 (c) It is the intent of the Legislature that by enabling contractors
13 to designate a portion of their licensure fee and providing a format
14 for contractors to contribute funds to construction management
15 education, this article will receive broad based industry support.
16 In addition, this article allows the contractor to demonstrate the
17 importance of construction management education. This assistance
18 will enable greater development of construction management
19 curricula and will improve the overall quality of construction by
20 providing construction management training to California licensed
21 contractors and their current and future management personnel.

22 ~~SEC. 61.~~

23 *SEC. 75.* Section 7139.2 of the Business and Professions Code
24 is amended to read:

25 7139.2. (a) There is hereby created the Construction
26 Management Education Account (CMEA) as a separate account
27 in the Contractors License Fund for the purposes of construction
28 management education. Funds in the account shall be available
29 for the purposes of this article upon appropriation by the
30 Legislature.

31 (b) The Contractors State License Board shall allow a contractor
32 to make a contribution to the Construction Management Education
33 Account at the time of the contractor license fee payment. The
34 license fee form shall clearly display this alternative on its face
35 and shall clearly inform the licensee that this provision is a
36 contribution to the Construction Management Education Account
37 and is in addition to the fees.

38 (c) The board may accept grants from federal, state, or local
39 public agencies, or from private foundations or individuals, in
40 order to assist it in carrying out its duties, functions, and powers

1 under this article. Grant moneys shall be deposited into the
2 Construction Management Education Account.

3 *SEC. 76. Section 7141.5 of the Business and Professions Code*
4 *is amended to read:*

5 7141.5. The registrar ~~may~~ shall grant the retroactive renewal
6 of a license ~~if~~ if, within 90 days of the expiration of the license,
7 the otherwise eligible licensee requests the retroactive renewal in
8 a petition to the registrar, files an ~~and~~ submits a completed application
9 for renewal on a form prescribed by the registrar, and pays the
10 appropriate renewal fee and delinquency fee prescribed by this
11 chapter. ~~This section shall only apply for a period not to exceed~~
12 ~~90 days from the due date and only upon a showing by the~~
13 ~~contractor that the failure to renew was due to circumstances~~
14 ~~beyond the control of the licensee. For the purposes of this section,~~
15 ~~an application shall be deemed submitted if it is delivered to the~~
16 ~~board's headquarters or postmarked within 90 days of the~~
17 ~~expiration of the license.~~

18 ~~SEC. 62.~~

19 *SEC. 77. Section 7145.5 of the Business and Professions Code*
20 *is amended to read:*

21 7145.5. (a) The registrar may refuse to issue, reinstate,
22 reactivate, or renew a license or may suspend a license for the
23 failure of a licensee to resolve all outstanding final liabilities, which
24 include taxes, additions to tax, penalties, interest, and any fees that
25 may be assessed by the board, the Department of Industrial
26 Relations, the Employment Development Department, the
27 Franchise Tax Board, or the State Board of Equalization.

28 (1) Until the debts covered by this section are satisfied, the
29 qualifying person and any other personnel of record named on a
30 license that has been suspended under this section shall be
31 prohibited from serving in any capacity that is subject to licensure
32 under this chapter, but shall be permitted to act in the capacity of
33 a nonsupervising bona fide employee.

34 (2) The license of any other renewable licensed entity with any
35 of the same personnel of record that have been assessed an
36 outstanding liability covered by this section shall be suspended
37 until the debt has been satisfied or until the same personnel of
38 record disassociate themselves from the renewable licensed entity.

39 (b) The refusal to issue a license or the suspension of a license
40 as provided by this section shall be applicable only if the registrar

1 has mailed a notice preliminary to the refusal or suspension that
2 indicates that the license will be refused or suspended by a date
3 certain. This preliminary notice shall be mailed to the licensee at
4 least 60 days before the date certain.

5 (c) In the case of outstanding final liabilities assessed by the
6 Franchise Tax Board, this section shall be operative within 60 days
7 after the Contractors State License Board has provided the
8 Franchise Tax Board with the information required under Section
9 30, relating to licensing information that includes the federal
10 employer identification number, individual taxpayer identification
11 number, or social security number.

12 (d) All versions of the application for a contractor's license shall
13 include, as part of the application, an authorization by the applicant,
14 in the form and manner mutually agreeable to the Franchise Tax
15 Board and the board, for the Franchise Tax Board to disclose the
16 tax information that is required for the registrar to administer this
17 section. The Franchise Tax Board may from time to time audit
18 these authorizations.

19 (e) In the case of outstanding final liabilities assessed by the
20 State Board of Equalization, this section shall not apply to any
21 outstanding final liability if the licensee has entered into an
22 installment payment agreement for that liability with the State
23 Board of Equalization and is in compliance with the terms of that
24 agreement.

25 ~~SEC. 63.~~

26 *SEC. 78.* Section 7159 of the Business and Professions Code
27 is amended to read:

28 7159. (a) (1) This section identifies the projects for which a
29 home improvement contract is required, outlines the contract
30 requirements, and lists the items that shall be included in the
31 contract, or may be provided as an attachment.

32 (2) This section does not apply to service and repair contracts
33 that are subject to Section 7159.10, if the contract for the applicable
34 services complies with Sections 7159.10 to 7159.14, inclusive.

35 (3) This section does not apply to the sale, installation, and
36 servicing of a fire alarm sold in conjunction with an alarm system,
37 as defined in Section 7590.1, if all costs attributable to making the
38 fire alarm system operable, including sale and installation costs,
39 do not exceed five hundred dollars (\$500), and the licensee
40 complies with the requirements set forth in Section 7159.9.

1 (4) This section does not apply to any costs associated with
2 monitoring a burglar or fire alarm system.

3 (5) Failure by the licensee, their agent or salesperson, or by a
4 person subject to be licensed under this chapter, to provide the
5 specified information, notices, and disclosures in the contract, or
6 to otherwise fail to comply with any provision of this section, is
7 cause for discipline.

8 (b) For purposes of this section, “home improvement contract”
9 means an agreement, whether oral or written, or contained in one
10 or more documents, between a contractor and an owner or between
11 a contractor and a tenant, regardless of the number of residence
12 or dwelling units contained in the building in which the tenant
13 resides, if the work is to be performed in, to, or upon the residence
14 or dwelling unit of the tenant, for the performance of a home
15 improvement, as defined in Section 7151, and includes all labor,
16 services, and materials to be furnished and performed thereunder,
17 if the aggregate contract price specified in one or more
18 improvement contracts, including all labor, services, and materials
19 to be furnished by the contractor, exceeds five hundred dollars
20 (\$500). “Home improvement contract” also means an agreement,
21 whether oral or written, or contained in one or more documents,
22 between a salesperson, whether or not they are a home
23 improvement salesperson, and an owner or a tenant, regardless of
24 the number of residence or dwelling units contained in the building
25 in which the tenant resides, which provides for the sale, installation,
26 or furnishing of home improvement goods or services.

27 (c) In addition to the specific requirements listed under this
28 section, every home improvement contract and any person subject
29 to licensure under this chapter or their agent or salesperson shall
30 comply with all of the following:

31 (1) The writing shall be legible.

32 (2) Any printed form shall be readable. Unless a larger typeface
33 is specified in this article, text in any printed form shall be in at
34 least 10-point typeface and the headings shall be in at least 10-point
35 boldface type.

36 (3) (A) Before any work is started, the contractor shall give the
37 buyer a copy of the contract signed and dated by both the contractor
38 and the buyer. The buyer’s receipt of the copy of the contract
39 initiates the buyer’s rights to cancel the contract pursuant to
40 Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

1 (B) The contract shall contain on the first page, in a typeface
2 no smaller than that generally used in the body of the document,
3 both of the following:

4 (i) The date the buyer signed the contract.

5 (ii) The name and address of the contractor to which the
6 applicable “Notice of Cancellation” is to be mailed, immediately
7 preceded by a statement advising the buyer that the “Notice of
8 Cancellation” may be sent to the contractor at the address noted
9 on the contract.

10 (4) The contract shall include a statement that, upon satisfactory
11 payment being made for any portion of the work performed, the
12 contractor, prior to any further payment being made, shall furnish
13 to the person contracting for the home improvement or swimming
14 pool work a full and unconditional release from any potential lien
15 claimant claim or mechanics lien authorized pursuant to Sections
16 8400 and 8404 of the Civil Code for that portion of the work for
17 which payment has been made.

18 (5) A change-order form for changes or extra work shall be
19 incorporated into the contract and shall become part of the contract
20 only if it is in writing and signed by the parties prior to the
21 commencement of any work covered by a change order.

22 (6) The contract shall contain, in close proximity to the
23 signatures of the owner and contractor, a notice stating that the
24 owner or tenant has the right to require the contractor to have a
25 performance and payment bond.

26 (7) If the contract provides for a contractor to furnish joint
27 control, the contractor shall not have any financial or other interest
28 in the joint control.

29 (8) The provisions of this section are not exclusive and do not
30 relieve the contractor from compliance with any other applicable
31 provision of law.

32 (d) A home improvement contract and any changes to the
33 contract shall be in writing and signed by the parties to the contract
34 prior to the commencement of work covered by the contract or an
35 applicable change order and, except as provided in paragraph (8)
36 of subdivision (a) of Section 7159.5, shall include or comply with
37 all of the following:

38 (1) The name, business address, and license number of the
39 contractor.

- 1 (2) If applicable, the name and registration number of the home
2 improvement salesperson that solicited or negotiated the contract.
- 3 (3) The following heading on the contract form that identifies
4 the type of contract in at least 10-point boldface type: “Home
5 Improvement.”
- 6 (4) The following statement in at least 12-point boldface type:
7 “You are entitled to a completely filled in copy of this agreement,
8 signed by both you and the contractor, before any work may be
9 started.”
- 10 (5) The heading: “Contract Price,” followed by the amount of
11 the contract in dollars and cents.
- 12 (6) If a finance charge will be charged, the heading: “Finance
13 Charge,” followed by the amount in dollars and cents. The finance
14 charge is to be set out separately from the contract amount.
- 15 (7) The heading: “Description of the Project and Description
16 of the Significant Materials to be Used and Equipment to be
17 Installed,” followed by a description of the project and a description
18 of the significant materials to be used and equipment to be installed.
19 For swimming pools, the project description required under this
20 paragraph also shall include a plan and scale drawing showing the
21 shape, size, dimensions, and the construction and equipment
22 specifications.
- 23 (8) If a downpayment will be charged, the details of the
24 downpayment shall be expressed in substantially the following
25 form, and shall include the text of the notice as specified in
26 subparagraph (C):
- 27 (A) The heading: “Downpayment.”
- 28 (B) A space where the actual downpayment appears.
- 29 (C) The following statement in at least 12-point boldface type:
30
31 **“THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10**
32 **PERCENT OF THE CONTRACT PRICE, WHICHEVER IS**
33 **LESS.”**
34
- 35 (9) If payments, other than the downpayment, are to be made
36 before the project is completed, the details of these payments,
37 known as progress payments, shall be expressed in substantially
38 the following form, and shall include the text of the statement as
39 specified in subparagraph (C):

1 (A) A schedule of progress payments shall be preceded by the
2 heading: “Schedule of Progress Payments.”

3 (B) Each progress payment shall be stated in dollars and cents
4 and specifically reference the amount of work or services to be
5 performed and materials and equipment to be supplied.

6 (C) The section of the contract reserved for the progress
7 payments shall include the following statement in at least 12-point
8 boldface type:

9
10 “The schedule of progress payments must specifically describe
11 each phase of work, including the type and amount of work or
12 services scheduled to be supplied in each phase, along with the
13 amount of each proposed progress payment. **IT IS AGAINST THE
14 LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR
15 WORK NOT YET COMPLETED, OR FOR MATERIALS NOT
16 YET DELIVERED. HOWEVER, A CONTRACTOR MAY
17 REQUIRE A DOWNPAYMENT.**”

18
19 (10) The contract shall address the commencement of work to
20 be performed in substantially the following form:

21 (A) A statement that describes what constitutes substantial
22 commencement of work under the contract.

23 (B) The heading: “Approximate Start Date.”

24 (C) The approximate date on which work will be commenced.

25 (11) The estimated completion date of the work shall be
26 referenced in the contract in substantially the following form:

27 (A) The heading: “Approximate Completion Date.”

28 (B) The approximate date of completion.

29 (12) If applicable, the heading: “List of Documents to be
30 Incorporated into the Contract,” followed by the list of documents
31 incorporated into the contract.

32 (13) The heading: “Note About Extra Work and Change Orders,”
33 followed by the following statement:

34
35 “Extra Work and Change Orders become part of the contract
36 once the order is prepared in writing and signed by the parties prior
37 to the commencement of work covered by the new change order.
38 The order must describe the scope of the extra work or change,
39 the cost to be added or subtracted from the contract, and the effect
40 the order will have on the schedule of progress payments.”

1
 2 (e) Except as provided in paragraph (8) of subdivision (a) of
 3 Section 7159.5, all of the following notices shall be provided to
 4 the owner as part of the contract form as specified or, if otherwise
 5 authorized under this subdivision, may be provided as an
 6 attachment to the contract:

7 (1) A notice concerning commercial general liability insurance.
 8 This notice may be provided as an attachment to the contract if
 9 the contract includes the following statement: “A notice concerning
 10 commercial general liability insurance is attached to this contract.”
 11 The notice shall include the heading “Commercial General Liability
 12 Insurance (CGL),” followed by whichever of the following
 13 statements is both relevant and correct:

14 (A) “(The name on the license or ‘This contractor’) does not
 15 carry commercial general liability insurance.”

16 (B) “(The name on the license or ‘This contractor’) carries
 17 commercial general liability insurance written by (the insurance
 18 company). You may call (the insurance company) at _____
 19 to check the contractor’s insurance coverage.”

20 (C) “(The name on the license or ‘This contractor’) is
 21 self-insured.”

22 (D) “(The name on the license or ‘This contractor’) is a limited
 23 liability company that carries liability insurance or maintains other
 24 security as required by law. You may call (the insurance company
 25 or trust company or bank) at ____ to check on the contractor’s
 26 insurance coverage or security.”

27 (2) A notice concerning workers’ compensation insurance. This
 28 notice may be provided as an attachment to the contract if the
 29 contract includes the statement: “A notice concerning workers’
 30 compensation insurance is attached to this contract.” The notice
 31 shall include the heading “Workers’ Compensation Insurance”
 32 followed by whichever of the following statements is correct:

33 (A) “(The name on the license or ‘This contractor’) has no
 34 employees and is exempt from workers’ compensation
 35 requirements.”

36 (B) “(The name on the license or ‘This contractor’) carries
 37 workers’ compensation insurance for all employees.”

38 (3) A notice that provides the buyer with the following
 39 information about the performance of extra or change-order work:

1 (A) A statement that the buyer may not require a contractor to
2 perform extra or change-order work without providing written
3 authorization prior to the commencement of work covered by the
4 new change order.

5 (B) A statement informing the buyer that extra work or a change
6 order is not enforceable against a buyer unless the change order
7 also identifies all of the following in writing prior to the
8 commencement of work covered by the new change order:

9 (i) The scope of work encompassed by the order.

10 (ii) The amount to be added or subtracted from the contract.

11 (iii) The effect the order will make in the progress payments or
12 the completion date.

13 (C) A statement informing the buyer that the contractor’s failure
14 to comply with the requirements of this paragraph does not
15 preclude the recovery of compensation for work performed based
16 upon legal or equitable remedies designed to prevent unjust
17 enrichment.

18 (4) A notice with the heading “Mechanics Lien Warning” written
19 as follows:

20

21 “MECHANICS LIEN WARNING:

22

23 Anyone who helps improve your property, but who is not paid,
24 may record what is called a mechanics lien on your property. A
25 mechanics lien is a claim, like a mortgage or home equity loan,
26 made against your property and recorded with the county recorder.

27 Even if you pay your contractor in full, unpaid subcontractors,
28 suppliers, and laborers who helped to improve your property may
29 record mechanics liens and sue you in court to foreclose the lien.
30 If a court finds the lien is valid, you could be forced to pay twice
31 or have a court officer sell your home to pay the lien. Liens can
32 also affect your credit.

33 To preserve their right to record a lien, each subcontractor and
34 material supplier must provide you with a document called a
35 ‘Preliminary Notice.’ This notice is not a lien. The purpose of the
36 notice is to let you know that the person who sends you the notice
37 has the right to record a lien on your property if they are not paid.

38 BE CAREFUL. The Preliminary Notice can be sent up to 20
39 days after the subcontractor starts work or the supplier provides

1 material. This can be a big problem if you pay your contractor
2 before you have received the Preliminary Notices.

3 You will not get Preliminary Notices from your prime contractor
4 or from laborers who work on your project. The law assumes that
5 you already know they are improving your property.

6 **PROTECT YOURSELF FROM LIENS.** You can protect
7 yourself from liens by getting a list from your contractor of all the
8 subcontractors and material suppliers that work on your project.
9 Find out from your contractor when these subcontractors started
10 work and when these suppliers delivered goods or materials. Then
11 wait 20 days, paying attention to the Preliminary Notices you
12 receive.

13 **PAY WITH JOINT CHECKS.** One way to protect yourself is
14 to pay with a joint check. When your contractor tells you it is time
15 to pay for the work of a subcontractor or supplier who has provided
16 you with a Preliminary Notice, write a joint check payable to both
17 the contractor and the subcontractor or material supplier.

18 For other ways to prevent liens, visit CSLB's internet website
19 at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

20 **REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING**
21 **A LIEN PLACED ON YOUR HOME.** This can mean that you
22 may have to pay twice, or face the forced sale of your home to pay
23 what you owe.”

24
25 (5) The following notice shall be provided in at least 12-point
26 typeface:

27
28 “Information about the Contractors State License Board (CSLB):
29 CSLB is the state consumer protection agency that licenses and
30 regulates construction contractors.

31 Contact CSLB for information about the licensed contractor you
32 are considering, including information about disclosable
33 complaints, disciplinary actions, and civil judgments that are
34 reported to CSLB.

35 Use only licensed contractors. If you file a complaint against a
36 licensed contractor within the legal deadline (usually four years),
37 CSLB has authority to investigate the complaint. If you use an
38 unlicensed contractor, CSLB may not be able to help you resolve
39 your complaint. Your only remedy may be in civil court, and you

1 may be liable for damages arising out of any injuries to the
2 unlicensed contractor or the unlicensed contractor’s employees.

3 For more information:

4 Visit CSLB’s internet website at www.cslb.ca.gov

5 Call CSLB at 800-321-CSLB (2752)

6 Write CSLB at P.O. Box 26000, Sacramento, CA 95826.”

7

8 (6) (A) The notice set forth in subparagraph (B) and entitled
9 “Three-Day Right to Cancel,” shall be provided to the buyer unless
10 the contract is:

11 (i) Negotiated at the contractor’s place of business.

12 (ii) Subject to the “Seven-Day Right to Cancel,” as set forth in
13 paragraph (7).

14 (iii) Subject to licensure under the Alarm Company Act (Chapter
15 11.6 (commencing with Section 7590)), provided the alarm
16 company licensee complies with Sections 1689.5, 1689.6, and
17 1689.7 of the Civil Code, as applicable.

18

19 (B) “Three-Day Right to Cancel

20 You, the buyer, have the right to cancel this contract within three
21 business days. You may cancel by emailing, mailing, faxing, or
22 delivering a written notice to the contractor at the contractor’s
23 place of business by midnight of the third business day after you
24 received a signed and dated copy of the contract that includes this
25 notice. Include your name, your address, and the date you received
26 the signed copy of the contract and this notice.

27 If you cancel, the contractor must return to you anything you
28 paid within 10 days of receiving the notice of cancellation. For
29 your part, you must make available to the contractor at your
30 residence, in substantially as good condition as you received them,
31 goods delivered to you under this contract or sale. Or, you may,
32 if you wish, comply with the contractor’s instructions on how to
33 return the goods at the contractor’s expense and risk. If you do
34 make the goods available to the contractor and the contractor does
35 not pick them up within 20 days of the date of your notice of
36 cancellation, you may keep them without any further obligation.
37 If you fail to make the goods available to the contractor, or if you
38 agree to return the goods to the contractor and fail to do so, then
39 you remain liable for performance of all obligations under the
40 contract.”

1
2 (C) The “Three-Day Right to Cancel” notice required by this
3 paragraph shall comply with all of the following:

4 (i) The text of the notice is at least 12-point boldface type.

5 (ii) The notice is in immediate proximity to a space reserved
6 for the owner’s signature.

7 (iii) The owner acknowledges receipt of the notice by signing
8 and dating the notice form in the signature space.

9 (iv) The notice is written in the same language, e.g., Spanish,
10 as that principally used in any oral sales presentation.

11 (v) The notice may be attached to the contract if the contract
12 includes, in at least 12-point boldface type, a checkbox with the
13 following statement: “The law requires that the contractor give
14 you a notice explaining your right to cancel. Initial the checkbox
15 if the contractor has given you a ‘Notice of the Three-Day Right
16 to Cancel.’”

17 (vi) The notice shall be accompanied by a completed form in
18 duplicate, captioned “Notice of Cancellation,” which also shall be
19 attached to the agreement or offer to purchase and be easily
20 detachable, and which shall contain the following statement written
21 in the same language, e.g., Spanish, as used in the contract:

22
23 “Notice of Cancellation”

24 /enter date of transaction/
25

26 _____
27 (Date)

28 “You may cancel this transaction, without any penalty or
29 obligation, within three business days from the above date.

30 If you cancel, any property traded in, any payments made by
31 you under the contract or sale, and any negotiable instrument
32 executed by you will be returned within 10 days following receipt
33 by the seller of your cancellation notice, and any security interest
34 arising out of the transaction will be canceled.

35 If you cancel, you must make available to the seller at your
36 residence, in substantially as good condition as when received,
37 any goods delivered to you under this contract or sale, or you may,
38 if you wish, comply with the instructions of the seller regarding
39 the return shipment of the goods at the seller’s expense and risk.

1 If you do make the goods available to the seller and the seller
 2 does not pick them up within 20 days of the date of your notice of
 3 cancellation, you may retain or dispose of the goods without any
 4 further obligation. If you fail to make the goods available to the
 5 seller, or if you agree to return the goods to the seller and fail to
 6 do so, then you remain liable for performance of all obligations
 7 under the contract.”

8
 9 To cancel this transaction, mail or deliver a signed and dated copy of this
 10 cancellation notice, or any other written notice, or send a telegram
 11 to _____,
 12 /name of seller/
 13 at _____
 14 /address of seller’s place of business/
 15 not later than midnight of _____
 16 (Date)

17 I hereby cancel this transaction. _____
 18 (Date)
 19 _____
 20 (Buyer’s signature)

21
 22 (7) (A) The following notice entitled “Seven-Day Right to
 23 Cancel” shall be provided to the buyer for any contract that is
 24 written for the repair or restoration of residential premises damaged
 25 by any sudden or catastrophic event for which a state of emergency
 26 has been declared by the President of the United States or the
 27 Governor, or for which a local emergency has been declared by
 28 the executive officer or governing body of any city, county, or city
 29 and county:

30
 31 “Seven-Day Right to Cancel
 32 You, the buyer, have the right to cancel this contract within seven
 33 business days. You may cancel by emailing, mailing, faxing, or
 34 delivering a written notice to the contractor at the contractor’s
 35 place of business by midnight of the seventh business day after
 36 you received a signed and dated copy of the contract that includes
 37 this notice. Include your name, your address, and the date you
 38 received the signed copy of the contract and this notice.

39 If you cancel, the contractor must return to you anything you
 40 paid within 10 days of receiving the notice of cancellation. For

1 your part, you must make available to the contractor at your
 2 residence, in substantially as good condition as you received them,
 3 goods delivered to you under this contract or sale. Or, you may,
 4 if you wish, comply with the contractor’s instructions on how to
 5 return the goods at the contractor’s expense and risk. If you do
 6 make the goods available to the contractor and the contractor does
 7 not pick them up within 20 days of the date of your notice of
 8 cancellation, you may keep them without any further obligation.
 9 If you fail to make the goods available to the contractor, or if you
 10 agree to return the goods to the contractor and fail to do so, then
 11 you remain liable for performance of all obligations under the
 12 contract.”

13
 14 (B) The “Seven-Day Right to Cancel” notice required by this
 15 subdivision shall comply with all of the following:

- 16 (i) The text of the notice is at least 12-point boldface type.
- 17 (ii) The notice is in immediate proximity to a space reserved
 18 for the owner’s signature.
- 19 (iii) The owner acknowledges receipt of the notice by signing
 20 and dating the notice form in the signature space.
- 21 (iv) The notice is written in the same language, e.g., Spanish,
 22 as that principally used in any oral sales presentation.
- 23 (v) The notice may be attached to the contract if the contract
 24 includes, in at least 12-point boldface type, a checkbox with the
 25 following statement: “The law requires that the contractor give
 26 you a notice explaining your right to cancel. Initial the checkbox
 27 if the contractor has given you a ‘Notice of the Seven-Day Right
 28 to Cancel.’ ”
- 29 (vi) The notice shall be accompanied by a completed form in
 30 duplicate, captioned “Notice of Cancellation,” which shall also be
 31 attached to the agreement or offer to purchase and be easily
 32 detachable, and which shall contain the following statement written
 33 in the same language, e.g., Spanish, as used in the contract:

34
 35 “Notice of Cancellation”

36 /enter date of transaction/
 37 _____

38 (Date)
 39

1 “You may cancel this transaction, without any penalty or
2 obligation, within seven business days from the above date.

3 If you cancel, any property traded in, any payments made by
4 you under the contract or sale, and any negotiable instrument
5 executed by you will be returned within 10 days following receipt
6 by the seller of your cancellation notice, and any security interest
7 arising out of the transaction will be canceled.

8 If you cancel, you must make available to the seller at your
9 residence, in substantially as good condition as when received,
10 any goods delivered to you under this contract or sale, or you may,
11 if you wish, comply with the instructions of the seller regarding
12 the return shipment of the goods at the seller’s expense and risk.

13 If you do make the goods available to the seller and the seller
14 does not pick them up within 20 days of the date of your notice of
15 cancellation, you may retain or dispose of the goods without any
16 further obligation. If you fail to make the goods available to the
17 seller, or if you agree to return the goods to the seller and fail to
18 do so, then you remain liable for performance of all obligations
19 under the contract.”

20

21 To cancel this transaction, mail or deliver a signed and dated copy of this
22 cancellation notice, or any other written notice, or send a telegram

23 to _____,
24 /name of seller/

25 at _____
26 /address of seller’s place of business/

27 not later than midnight of _____.
28 (Date)

29 I hereby cancel this transaction. _____
30 (Date)

31 _____
32 (Buyer’s signature)

33

34 ~~SEC. 64.~~

35 *SEC. 79.* Section 7170 of the Business and Professions Code
36 is amended to read:

37 7170. (a) The Contractors State License Board shall receive
38 and review complaints and consumer questions regarding solar
39 energy systems companies and solar contractors. The board shall

1 also receive complaints received from state agencies regarding
2 solar energy systems companies and solar contractors.

3 (b) Beginning on July 1, 2019, the board annually shall compile
4 a report documenting consumer complaints relating to solar
5 contractors. The report shall be made available publicly on the
6 board's and the Public Utilities Commission's internet websites.

7 The report shall contain all of the following:

8 (1) The number and types of complaints.

9 (2) The ZIP Code where the consumer complaint originated.

10 (3) The disposition of all complaints received against a solar
11 contractor.

12 (c) For purposes of this section, "solar energy system" means
13 a solar energy device to be installed on a residential building that
14 has the primary purpose of providing for the collection and
15 distribution of solar energy for the generation of electricity, that
16 produces at least one kW, and not more than five MW, alternating
17 current rated peak electricity, and that meets or exceeds the
18 eligibility criteria established pursuant to Section 25782 of the
19 Public Resources Code.

20 ~~SEC. 65.~~

21 *SEC. 80.* Section 7303 of the Business and Professions Code
22 is amended to read:

23 7303. (a) Notwithstanding Article 8 (commencing with Section
24 9148) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the
25 Government Code, there is in the Department of Consumer Affairs
26 the State Board of Barbering and Cosmetology in which the
27 administration of this chapter is vested.

28 (b) The board shall consist of nine members. Five members
29 shall be public members, and four members shall represent the
30 professions. The Governor shall appoint three of the public
31 members and the four professional members. The Senate
32 Committee on Rules and the Speaker of the Assembly shall each
33 appoint one public member. Members of the board shall be
34 appointed for a term of four years, except that of the members
35 appointed by the Governor, two of the public members and two
36 of the professions members shall be appointed for an initial term
37 of two years. No board member may serve longer than two
38 consecutive terms.

39 (c) The board may appoint an executive officer who is exempt
40 from civil service. The executive officer shall exercise the powers

1 and perform the duties delegated by the board and vested in the
2 executive officer by this chapter. The appointment of the executive
3 officer is subject to the approval of the director. In the event that
4 a newly authorized board replaces an existing or previous bureau,
5 the director may appoint an interim executive officer for the board
6 who shall serve temporarily until the new board appoints a
7 permanent executive officer.

8 (d) The executive officer shall provide examiners, inspectors,
9 and other personnel necessary to carry out the provisions of this
10 chapter.

11 (e) This section shall remain in effect only until January 1, 2022,
12 and as of that date is repealed. Notwithstanding any other law, the
13 repeal of this section renders the board subject to review by the
14 appropriate policy committees of the Legislature.

15 *SEC. 81. Section 7512.3 of the Business and Professions Code,*
16 *as amended by Section 1 of Chapter 569 of the Statutes of 2017,*
17 *is amended to read:*

18 7512.3. (a) As used in this chapter, “person” includes any
19 individual, firm, company, limited liability company, association,
20 organization, partnership, and corporation.

21 (b) This section shall remain in effect only until January 1, ~~2021,~~
22 ~~2024,~~ and as of that date is repealed.

23 *SEC. 82. Section 7512.3 of the Business and Professions Code,*
24 *as amended by Section 2 of Chapter 569 of the Statutes of 2017,*
25 *is amended to read:*

26 7512.3. (a) As used in this chapter, “person” includes any
27 individual, firm, company, association, organization, partnership,
28 and corporation.

29 (b) This section shall become operative on January 1, ~~2021,~~
30 ~~2024.~~

31 *SEC. 83. Section 7512.14 of the Business and Professions Code*
32 *is amended to read:*

33 7512.14. (a) As used in this chapter, “member” means an
34 individual who is a member of a limited liability company as
35 specified in Section 17704.01 of the Corporations Code.

36 (b) This section shall remain in effect only until January 1, ~~2021,~~
37 ~~2024,~~ and as of that date is repealed.

38 *SEC. 84. Section 7512.15 of the Business and Professions Code*
39 *is amended to read:*

1 7512.15. (a) As used in this chapter, “manager” means an
 2 individual designated under an operating agreement of a
 3 manager-managed limited liability company who is responsible
 4 for performing the management functions for the limited liability
 5 company specified in subdivision (c) of Section 17704.07 of the
 6 Corporations Code.

7 (b) This section shall remain in effect only until January 1, ~~2021~~,
 8 2024, and as of that date is repealed.

9 *SEC. 85. Section 7520.3 of the Business and Professions Code*
 10 *is amended to read:*

11 7520.3. (a) As a condition of the issuance, reinstatement,
 12 reactivation, or continued valid use of a license under this chapter,
 13 a limited liability company shall, in accordance with this section,
 14 maintain a policy or policies of insurance against liability imposed
 15 on or against it by law for damages arising out of claims based
 16 upon acts, errors, or omissions arising out of the private investigator
 17 services it provides.

18 (b) The total aggregate limit of liability under the policy or
 19 policies of insurance required under this section shall be as follows:

20 (1) For a limited liability company licensee with five or fewer
 21 persons named as members pursuant to subdivision (i) of Section
 22 7525.1, the aggregate limit shall not be less than one million dollars
 23 (\$1,000,000).

24 (2) For a limited liability company licensee with more than five
 25 persons named as members pursuant to subdivision (i) of Section
 26 7525.1, an additional one hundred thousand dollars (\$100,000) of
 27 insurance shall be obtained for each person named as members of
 28 the licensee except that the maximum amount of insurance is not
 29 required to exceed five million dollars (\$5,000,000) in any one
 30 designated period, less amounts paid in defending, settling, or
 31 discharging claims as set forth under this section.

32 (c) Prior to the issuance, reinstatement, or reactivation of a
 33 limited liability company license as provided under this chapter,
 34 the applicant or licensee shall, in the manner prescribed by the
 35 bureau, submit the information and documentation required by
 36 this section and requested by the bureau, demonstrating compliance
 37 with the financial security requirements specified by this section.

38 (d) For any insurance policy secured by a licensee in satisfaction
 39 of this section, a Certificate of Liability Insurance, signed by an
 40 authorized agent or employee of the insurer, shall be submitted

1 electronically or otherwise to the bureau. The insurer issuing the
2 certificate shall report to the bureau the following information for
3 any policy required under this section: name, license number,
4 policy number, dates that coverage is scheduled to commence and
5 lapse, and cancellation date if applicable. The insurer shall list the
6 bureau as the certificate holder for the purposes of receiving
7 notifications related to the policy's status.

8 (e) (1) If a licensee fails to maintain sufficient insurance as
9 required by this section, or fails to provide proof of the required
10 insurance upon request by the bureau, the license is subject to
11 suspension and shall be automatically suspended pursuant to this
12 subdivision until the date that the licensee provides proof to the
13 bureau of compliance with the insurance coverage requirement.

14 (2) Prior to an automatic suspension, the bureau shall notify the
15 licensee, in writing, that it has 30 days to provide proof to the
16 bureau of having the required insurance or the license shall be
17 automatically suspended.

18 (3) If the licensee fails to provide proof of insurance coverage
19 within this period, the bureau may automatically suspend the
20 license.

21 (f) If the license of a limited liability company is suspended
22 pursuant to subdivision (e), each member of the limited liability
23 company shall be personally liable up to one million dollars
24 (\$1,000,000) each for damages resulting to third parties in
25 connection with the company's performance, during the period of
26 suspension, of any act or contract when a license is required by
27 this chapter.

28 (g) On and after July 1, 2018, a licensee organized as a limited
29 liability company shall report a paid or pending claim against its
30 liability insurance to the bureau, which shall post a notice of the
31 claim on the Department of Consumer Affairs BreEZe License
32 Verification Internet Web page.

33 (h) This section shall remain in effect only until January 1, ~~2021,~~
34 ~~2024,~~ and as of that date is repealed.

35 *SEC. 86. Section 7525.1 of the Business and Professions Code,*
36 *as amended by Section 11 of Chapter 569 of the Statutes of 2017,*
37 *is amended to read:*

38 7525.1. An application shall be verified and shall include:

- 39 (a) The full name and business address of the applicant.
- 40 (b) The name under which the applicant intends to do business.

1 (c) A statement as to the general nature of the business in which
2 the applicant intends to engage.

3 (d) A verified statement of ~~his or her~~ *their* experience
4 qualifications.

5 (e) (1) If the applicant is an individual, a qualified manager, a
6 partner of a partnership, an officer of a corporation designated in
7 subdivision (h), or a member, officer, or manager of a limited
8 liability company designated in subdivision (i), one personal
9 identification form provided by the bureau upon which shall appear
10 a photograph taken within one year immediately preceding the
11 date of the filing of the application together with two legible sets
12 of fingerprints, one set of which shall be forwarded to the Federal
13 Bureau of Investigation for purposes of a background check, on a
14 form approved by the Department of Justice, and a personal
15 description of each person, respectively. The identification form
16 shall include residence addresses and employment history for the
17 previous five years and be signed under penalty of perjury.

18 (2) The bureau may impose a fee not to exceed three dollars
19 (\$3) for processing classifiable fingerprint cards submitted by
20 applicants, excluding those submitted into an electronic fingerprint
21 system using electronic fingerprint technology.

22 (f) In addition, if the applicant for a license is an individual, the
23 application shall list all other names known as or used during the
24 past 10 years and shall state that the applicant is to be personally
25 and actively in charge of the business for which the license is
26 sought. If any other qualified manager is to be actively in charge
27 of the business, the application shall be subscribed, verified, and
28 signed by the applicant, under penalty of perjury. If any other
29 person is to be actively in charge of the business, the application
30 shall also be subscribed, verified, and signed by that person under
31 penalty of perjury.

32 (g) If the applicants for a license are copartners, the application
33 shall state the true names and addresses of all partners and the
34 name of the partner to be actively in charge of the business for
35 which the license is sought and list all other names known as or
36 used during the past 10 years. If a qualified manager other than a
37 partner is to be actively in charge of the business, then the
38 application shall be subscribed, verified, and signed by all of the
39 partners under penalty of perjury. If any other person is to be
40 actively in charge of the business, the application shall also be

1 subscribed, verified, and signed by that person, under penalty of
2 perjury, under penalty of perjury by all of the partners and the
3 qualified manager, or by all of the partners or the qualified
4 manager.

5 (h) If the applicant for a license is a corporation, the application
6 shall state the true names and complete residence addresses of the
7 chief executive officer, secretary, chief financial officer, and any
8 other corporate officer who will be active in the business to be
9 licensed. The application shall also state the name and address of
10 the designated person to be actively in charge of the business for
11 which the license is sought. The application shall be subscribed,
12 verified, and signed by a duly authorized officer of the applicant
13 and by the qualified manager thereof, under penalty of perjury.

14 (i) If the applicant for a license is a limited liability company,
15 the application shall state the true name and complete residence
16 address of each member, manager, and any officer who will be
17 active in the business to be licensed. A certified copy of the articles
18 of organization, as filed by the Secretary of State, shall be supplied
19 to the bureau upon request. In the case of a manager-managed
20 limited liability company, the application shall be subscribed,
21 verified, and signed by a manager; otherwise, in the case of a
22 member-managed limited liability company, the application shall
23 be subscribed, verified, and signed by a duly authorized member
24 of the applicant and by the qualified manager thereof. The
25 application shall also state whether any of the members, managers,
26 officers, or the qualified manager has ever used an alias.

27 (j) Any other information, evidence, statements, or documents
28 as may be required by the director.

29 (k) At the discretion of the applicant, a valid email address.

30 (l) This section shall remain in effect only until January 1, ~~2021~~,
31 2024, and as of that date is repealed.

32 *SEC. 87. Section 7525.1 of the Business and Professions Code,*
33 *as amended by Section 12 of Chapter 569 of the Statutes of 2017,*
34 *is amended to read:*

35 7525.1. An application shall be verified and shall include:

36 (a) The full name and business address of the applicant.

37 (b) The name under which the applicant intends to do business.

38 (c) A statement as to the general nature of the business in which
39 the applicant intends to engage.

1 (d) A verified statement of ~~his or her~~ *their* experience
2 qualifications.

3 (e) (1) If the applicant is an individual, a qualified manager, a
4 partner of a partnership, or an officer of a corporation designated
5 in subdivision (h), one personal identification form provided by
6 the bureau upon which shall appear a photograph taken within one
7 year immediately preceding the date of the filing of the application
8 together with two legible sets of fingerprints, one set of which
9 shall be forwarded to the Federal Bureau of Investigation for
10 purposes of a background check, on a form approved by the
11 Department of Justice, and a personal description of each person,
12 respectively. The identification form shall include residence
13 addresses and employment history for the previous five years and
14 be signed under penalty of perjury.

15 (2) The bureau may impose a fee not to exceed three dollars
16 (\$3) for processing classifiable fingerprint cards submitted by
17 applicants, excluding those submitted into an electronic fingerprint
18 system using electronic fingerprint technology.

19 (f) In addition, if the applicant for a license is an individual, the
20 application shall list all other names known as or used during the
21 past 10 years and shall state that the applicant is to be personally
22 and actively in charge of the business for which the license is
23 sought. If any other qualified manager is to be actively in charge
24 of the business, the application shall be subscribed, verified, and
25 signed by the applicant, under penalty of perjury. If any other
26 person is to be actively in charge of the business, the application
27 shall also be subscribed, verified, and signed by that person under
28 penalty of perjury.

29 (g) If the applicants for a license are copartners, the application
30 shall state the true names and addresses of all partners and the
31 name of the partner to be actively in charge of the business for
32 which the license is sought and list all other names known as or
33 used during the past 10 years. If a qualified manager other than a
34 partner is to be actively in charge of the business, then the
35 application shall be subscribed, verified, and signed by all of the
36 partners under penalty of perjury. If any other person is to be
37 actively in charge of the business, the application shall also be
38 subscribed, verified, and signed under penalty of perjury by that
39 person, by all of the partners and the qualified manager, or by all
40 of the partners or the qualified manager.

1 (h) If the applicant for a license is a corporation, the application
2 shall state the true names and complete residence addresses of the
3 chief executive officer, secretary, chief financial officer, and any
4 other corporate officer who will be active in the business to be
5 licensed. The application shall also state the name and address of
6 the designated person to be actively in charge of the business for
7 which the license is sought. The application shall be subscribed,
8 verified, and signed by a duly authorized officer of the applicant
9 and by the qualified manager thereof, under penalty of perjury.

10 (i) Any other information, evidence, statements, or documents
11 as may be required by the director.

12 (j) At the discretion of the applicant, a valid email address.

13 (k) This section shall become operative on January 1, ~~2021~~.
14 2024.

15 *SEC. 88. Section 7529 of the Business and Professions Code,*
16 *as amended by Section 2 of Chapter 326 of the Statutes of 2019,*
17 *is amended to read:*

18 ~~7529. (a) (1) Upon the issuance of a license, a pocket card of~~
19 ~~the size, design, and content as may be determined by the director~~
20 ~~or the director's designee shall be issued by the bureau to each~~
21 ~~licensee, as follows:~~

22 ~~(A) If the licensee is an individual, the pocket card shall be~~
23 ~~issued to the licensee and to the licensee's qualified manager.~~

24 ~~(B) If the licensee is a partnership, the pocket card shall be~~
25 ~~issued to each partner of the partnership licensee active in the~~
26 ~~business and to the licensee's qualified manager.~~

27 ~~(C) If the licensee is a corporation, the pocket card shall be~~
28 ~~issued to each officer active in the business and to the licensee's~~
29 ~~qualified manager.~~

30 ~~(D) If the licensee is a limited liability company, the pocket~~
31 ~~card shall be issued to each member, officer, and manager of the~~
32 ~~licensee active in the business and to the licensee's qualified~~
33 ~~manager.~~

34 ~~(2) The pocket card is evidence that the licensee is licensed~~
35 ~~pursuant to this chapter. The card shall contain a photograph of~~
36 ~~the licensee, or bearer of the card, if the licensee is other than an~~
37 ~~individual. The card shall clearly state that the person is licensed~~
38 ~~as a private investigator or is the qualified manager, officer,~~
39 ~~member, or manager of the licensee. The pocket card is to be~~
40 ~~composed of a durable material and may incorporate~~

1 technologically advanced security features. The bureau may charge
2 a fee sufficient to reimburse the department's costs for furnishing
3 the pocket card. The fee charged shall not exceed the actual direct
4 costs for system development, maintenance, and processing
5 necessary to provide this service and shall not exceed sixteen
6 dollars (\$16). When the position, office, or association with a
7 licensee belonging to a person to whom a card is issued is
8 terminated, the person shall surrender the card to the licensee and,
9 within five days thereafter, the licensee shall mail or deliver the
10 card to the bureau for cancellation. Every person, while engaged
11 in any activity for which licensure is required, shall display the
12 person's valid pocket card as provided by regulation.

13 ~~(3) This subdivision shall become inoperative on January 1,~~
14 ~~2021.~~

15 ~~(b)~~

16 7529. (a) (1) Upon the issuance of and with each biennial
17 renewal of a license, a license in the form of an enhanced photo
18 identification card of the size, design, and content as may be
19 determined by the director or the director's designee shall be issued
20 by the bureau to each licensee, as follows:

21 (A) If the licensee is an individual, the enhanced photo
22 identification card shall be issued to the licensee and to the
23 licensee's qualified manager.

24 (B) If the licensee is a partnership, the enhanced photo
25 identification card shall be issued to each partner of the partnership
26 licensee active in the business and to the licensee's qualified
27 manager.

28 (C) If the licensee is a corporation, the enhanced photo
29 identification card shall be issued to each officer active in the
30 business and to the licensee's qualified manager.

31 (D) If the licensee is a limited liability company, the enhanced
32 photo identification card shall be issued to each member, officer,
33 and manager of the licensee active in the business and to the
34 licensee's qualified manager.

35 (2) The enhanced photo identification card is evidence that the
36 licensee is licensed pursuant to this chapter. The card shall contain
37 the name of the licensee, license expiration date, and a photograph
38 of the licensee. The enhanced photo identification card shall clearly
39 state that the person is licensed as a private investigator or is the
40 qualified manager or officer of the licensee. The enhanced photo

1 identification card is to be composed of a durable material and
2 may incorporate technologically advanced security features. The
3 bureau may recover its costs in an amount sufficient to reimburse
4 the department's costs for furnishing the enhanced photo
5 identification card. The fee charged shall not exceed the actual
6 direct costs for system development, maintenance, and processing
7 necessary to provide this service. The total amount of costs shall
8 be recovered by including that amount in the fee charged for the
9 initial application of and renewal of licensure. When the position,
10 office, or association with a licensee belonging to a person to whom
11 a card is issued is terminated, the person shall surrender the card
12 to the licensee and, within five days thereafter, the licensee shall
13 mail or deliver the card to the bureau for cancellation. Every
14 person, while engaged in any activity for which licensure is
15 required, shall display the person's valid enhanced photo
16 identification card as provided by regulation.

17 ~~(3) This subdivision shall become operative only if the January~~
18 ~~1, 2021, repeal date for this section established in subdivision (c)~~
19 ~~is deleted or extended, and in that event shall become operative~~
20 ~~on January 1, 2021.~~

21 (e)

22 (b) This section shall remain in effect only until January 1, 2021,
23 2024, and as of that date is repealed, unless a later enacted statute
24 deletes or extends that date. *repealed.*

25 *SEC. 89. Section 7529 of the Business and Professions Code,*
26 *as amended by Section 3 of Chapter 326 of the Statutes of 2019,*
27 *is amended to read:*

28 7529. (a) Upon the issuance of and with each biennial renewal
29 of a license, a license in the form of an enhanced photo
30 identification card of the size, design, and content as may be
31 determined by the director or the director's designee shall be issued
32 by the bureau to each licensee, as follows:

33 (1) If the licensee is an individual, the enhanced photo
34 identification card shall be issued to the licensee and to the
35 licensee's qualified manager.

36 (2) If the licensee is a partnership, the enhanced photo
37 identification card shall be issued to each partner of the partnership
38 licensee active in the business and to the licensee's qualified
39 manager.

1 (3) If the licensee is a corporation, the enhanced photo
2 identification card shall be issued to each officer active in the
3 business and to the licensee’s qualified manager.

4 (b) The enhanced photo identification card is evidence that the
5 licensee is licensed pursuant to this chapter. The card shall contain
6 the name of the licensee, license expiration date, and a photograph
7 of the licensee. The enhanced photo identification card shall clearly
8 state that the person is licensed as a private investigator or is the
9 qualified manager or officer of the licensee. The enhanced photo
10 identification card is to be composed of a durable material and
11 may incorporate technologically advanced security features. The
12 bureau may recover its costs in an amount sufficient to reimburse
13 the department’s costs for furnishing the enhanced photo
14 identification card. The fee charged shall not exceed the actual
15 direct costs for system development, maintenance, and processing
16 necessary to provide this service. The total amount of costs shall
17 be recovered by including that amount in the fee charged for the
18 initial application of and renewal of licensure. When the position,
19 office, or association with a licensee belonging to a person to whom
20 a card is issued is terminated, the person shall surrender the card
21 to the licensee and, within five days thereafter, the licensee shall
22 mail or deliver the card to the bureau for cancellation. Every
23 person, while engaged in any activity for which licensure is
24 required, shall display the person’s valid enhanced photo
25 identification card as provided by regulation.

26 (c) This section shall become operative on January 1, ~~2021~~.
27 2024.

28 *SEC. 90. Section 7533.5 of the Business and Professions Code,*
29 *as amended by Section 21 of Chapter 569 of the Statutes of 2017,*
30 *is amended to read:*

31 7533.5. (a) A licensee shall notify the bureau within 30 days
32 of any change in its corporate officers required to be named
33 pursuant to subdivision (h) of Section 7525.1 or members or
34 managers required to be named pursuant to subdivision (i) of
35 Section 7525.1, and of any addition of a new partner.

36 (b) Applications, on forms prescribed by the director, shall be
37 submitted by all new officers, members or managers, and partners.
38 The director may suspend or revoke a license issued under this
39 chapter if the director determines that the new officer, member or
40 manager, or partner of a licensee has committed any of the acts

1 constituting grounds to deny an application for a license or to take
2 disciplinary action against a licensee pursuant to Section 7538 or
3 7538.5, respectively.

4 (c) This section shall remain in effect only until January 1, ~~2021~~,
5 2024, and as of that date is repealed.

6 *SEC. 91. Section 7533.5 of the Business and Professions Code,*
7 *as amended by Section 22 of Chapter 569 of the Statutes of 2017,*
8 *is amended to read:*

9 7533.5. (a) A licensee shall notify the bureau within 30 days
10 of any change in its corporate officers required to be named
11 pursuant to subdivision (h) of Section 7525.1, and of any addition
12 of a new partner.

13 (b) Applications, on forms prescribed by the director, shall be
14 submitted by all new officers and partners. The director may
15 suspend or revoke a license issued under this chapter if the director
16 determines that the new officer or partner of a licensee has
17 committed any of the acts constituting grounds to deny an
18 application for a license or to take disciplinary action against a
19 licensee pursuant to Section 7538 or 7538.5, respectively.

20 (c) This section shall become operative on January 1, ~~2021~~.
21 2024.

22 *SEC. 92. Section 7538 of the Business and Professions Code,*
23 *as amended by Section 25 of Chapter 569 of the Statutes of 2017,*
24 *is amended to read:*

25 7538. (a) After a hearing the director may deny a license unless
26 the applicant makes a showing satisfactory to the director that the
27 applicant, if an individual, and the applicant's qualified manager
28 have not, or, if the applicant is a person other than an individual,
29 that its qualified manager and each of its officers, partners,
30 members, or managers have not:

31 (1) Committed any act that, if committed by a licensee, would
32 be a ground for the suspension or revocation of a license under
33 this chapter.

34 (2) Committed any act constituting dishonesty or fraud.

35 (3) Committed any act or crime constituting grounds for denial
36 of licensure under Section 480, including illegally using, carrying,
37 or possessing a deadly weapon.

38 (4) Been refused a license under this chapter or had a license
39 revoked.

1 (5) Been an officer, partner, qualified manager, member, or
2 manager of any person who has been refused a license under this
3 chapter or whose license has been revoked.

4 (6) While unlicensed committed, or aided and abetted the
5 commission of, any act for which a license is required by this
6 chapter.

7 (7) Knowingly made any false statement in ~~his or her~~ *their*
8 application.

9 (b) This section shall remain in effect only until January 1, ~~2021~~,
10 2024, and as of that date is repealed.

11 *SEC. 93. Section 7538 of the Business and Professions Code,*
12 *as amended by Section 26 of Chapter 569 of the Statutes of 2017,*
13 *is amended to read:*

14 7538. (a) After a hearing the director may deny a license unless
15 the applicant makes a showing satisfactory to the director that the
16 applicant, if an individual, and the applicant’s qualified manager
17 have not, or, if the applicant is a person other than an individual,
18 that its qualified manager and each of its officers and partners have
19 not:

20 (1) Committed any act that, if committed by a licensee, would
21 be a ground for the suspension or revocation of a license under
22 this chapter.

23 (2) Committed any act constituting dishonesty or fraud.

24 (3) Committed any act or crime constituting grounds for denial
25 of licensure under Section 480, including illegally using, carrying,
26 or possessing a deadly weapon.

27 (4) Been refused a license under this chapter or had a license
28 revoked.

29 (5) Been an officer, partner, or qualified manager of any person
30 who has been refused a license under this chapter or whose license
31 has been revoked.

32 (6) While unlicensed committed, or aided and abetted the
33 commission of, any act for which a license is required by this
34 chapter.

35 (7) Knowingly made any false statement in ~~his or her~~ *their*
36 application.

37 (b) This section shall become operative on January 1, ~~2021~~.
38 2024.

1 *SEC. 94. Section 7538.5 of the Business and Professions Code,*
2 *as amended by Section 27 of Chapter 569 of the Statutes of 2017,*
3 *is amended to read:*

4 7538.5. (a) The director may refuse to issue any license
5 provided for in this chapter to any of the following:

6 (1) An individual who has had any license revoked, has a license
7 currently under suspension, or failed to renew ~~his or her~~ *their*
8 license while under suspension.

9 (2) An individual who, while acting as a partner of a partnership,
10 an officer or director of a corporation, or a member, manager, or
11 officer of a limited liability company, had ~~his or her~~ *their* license
12 revoked, has a license currently under suspension, or failed to
13 renew ~~his or her~~ *their* license while under suspension.

14 (3) An individual who, while acting as a partner of the
15 partnership, an officer, director of the corporation, or a member,
16 manager, or officer of a limited liability company meets both of
17 the following conditions:

18 (A) ~~He or she~~ *The individual* was a partner of any partnership,
19 an officer or director of any corporation, or a member, manager,
20 or officer of any limited liability company whose license was
21 revoked, is currently under suspension, or was not renewed while
22 under suspension.

23 (B) While acting as a partner, officer, director, member, or
24 manager, ~~he or she~~ *they* participated in any of the prohibited acts
25 for which the license was revoked or suspended.

26 (4) An individual who is serving or has served as the qualified
27 manager for any licensee that has had its license revoked, is
28 currently under suspension, or failed to renew while under
29 suspension.

30 (b) This section shall remain in effect only until January 1, ~~2021,~~
31 *2024*, and as of that date is repealed.

32 *SEC. 95. Section 7538.5 of the Business and Professions Code,*
33 *as amended by Section 8 of Chapter 92 of the Statutes of 2018, is*
34 *amended to read:*

35 7538.5. (a) The director may refuse to issue any license
36 provided for in this chapter to any of the following:

37 (1) An individual who has had any license revoked, has a license
38 currently under suspension, or failed to renew ~~his or her~~ *their*
39 license while under suspension.

1 (2) An individual who, while acting as a partner of a partnership,
2 or an officer or director of a corporation, had ~~his or her~~ *their* license
3 revoked, has a license currently under suspension, or failed to
4 renew ~~his or her~~ *their* license while under suspension.

5 (3) An individual, who, while acting as a partner of the
6 partnership, or an officer or director of the corporation, meets both
7 of the following conditions:

8 (A) ~~He or she~~ *The individual* was a partner of any partnership,
9 or an officer or director of any corporation, whose license was
10 revoked, is currently under suspension, or was not renewed while
11 under suspension.

12 (B) ~~He or she~~ *The individual*, while acting as a partner, officer,
13 or director, participated in any of the prohibited acts for which the
14 license was revoked or suspended.

15 (4) An individual who is serving or has served as the qualified
16 manager for any licensee that has had its license revoked, is
17 currently under suspension, or failed to renew while under
18 suspension.

19 (b) This section shall become operative on January 1, ~~2021~~.
20 2024.

21 *SEC. 96. Section 7539 of the Business and Professions Code,*
22 *as amended by Section 29 of Chapter 569 of the Statutes of 2017,*
23 *is amended to read:*

24 7539. (a) Any licensee or officer, director, partner, member,
25 manager, or qualified manager of a licensee may divulge to any
26 law enforcement officer or district attorney, or ~~his or her~~ *their*
27 representative, any information ~~he or she~~ *they* may acquire as to
28 any criminal offense, but ~~he or she~~ *they* shall not divulge to any
29 other person, except as otherwise required by law, any information
30 acquired by ~~him or her~~ *them* except at the direction of the employer
31 or client for whom the information was obtained.

32 (b) A licensee or officer, director, partner, member, manager,
33 qualified manager, or employee of a licensee shall not knowingly
34 make any false report to ~~his or her~~ *their* employer or client for
35 whom information was being obtained.

36 (c) A written report shall not be submitted to a client except by
37 the licensee, qualified manager, or a person authorized by one or
38 either of them, and the person submitting the report shall exercise
39 diligence in ascertaining whether or not the facts and information
40 in the report are true and correct.

1 (d) A licensee, or officer, director, partner, manager, member,
2 qualified manager, or employee of a licensee shall not use a badge
3 in connection with the official activities of the licensee's business.

4 (e) A licensee, or officer, director, partner, manager, member,
5 qualified manager, or employee of a licensee, shall not use a title,
6 or wear a uniform, or use an insignia, or use an identification card,
7 or make any statement with the intent to give an impression that
8 ~~he or she is~~ *they are* connected in any way with the federal
9 government, a state government, or any political subdivision of a
10 state government.

11 (f) A licensee, or officer, partner, manager, member, qualified
12 manager, or employee of a licensee shall not use any identification
13 to indicate that ~~he or she is~~ *they are* licensed as a private
14 investigator other than the official identification card issued by
15 the bureau or the business card regularly used by the business.
16 However, a licensee may issue an employer identification card.

17 (g) A licensee, or officer, director, partner, manager, member,
18 qualified manager, or employee of a licensee, shall not enter any
19 private building or portion thereof, except premises commonly
20 accessible to the public, without the consent of the owner or of the
21 person in legal possession thereof.

22 (h) A licensee shall not permit an employee or agent in ~~his or~~
23 ~~her~~ *their* own name to advertise, engage clients, furnish reports or
24 present bills to clients, or in any manner conduct business for which
25 a license is required under this chapter. All business of the licensee
26 shall be conducted in the name of and under the control of the
27 licensee.

28 (i) A licensee, or officer, director, partner, manager, member,
29 qualified manager, or employee of a licensee shall not knowingly
30 and directly solicit employment from any person who has directly
31 sustained bodily injury or from that person's spouse or other family
32 member to obtain authorization on behalf of the injured person as
33 an investigator to investigate the accident or act that resulted in
34 injury or death to that person or damage to the property of that
35 person. Nothing in this subdivision shall prohibit the soliciting of
36 employment from that injured person's attorney, insurance
37 company, self-insured administrator, insurance adjuster, employer,
38 or any other person having an indirect interest in the investigation
39 of the injury. This subdivision shall not apply to any business agent
40 or attorney employed by a labor organization. A licensee, or officer,

1 director, partner, manager, member, or qualified manager of a
2 licensee shall not pay or compensate any of ~~his or her~~ *their*
3 employees or agents on the basis of a bonus, bounty, or quota
4 system whereby a premium is placed on the number of employer
5 or client rule violations or infractions purportedly discovered as a
6 result of any investigation made by a licensee.

7 (j) A licensee shall not use a fictitious business name in
8 connection with the official activities of the licensee's business,
9 except as provided by the bureau.

10 (k) This section shall remain in effect only until January 1, ~~2021,~~
11 ~~2024~~, and as of that date is repealed.

12 *SEC. 97. Section 7539 of the Business and Professions Code,*
13 *as amended by Section 9 of Chapter 92 of the Statutes of 2018, is*
14 *amended to read:*

15 7539. (a) A licensee or officer, director, partner, or qualified
16 manager of a licensee may divulge to any law enforcement officer
17 or district attorney, or ~~his or her~~ *their* representative, any
18 information ~~he or she~~ *they* may acquire as to any criminal offense,
19 but ~~he or she~~ *they* shall not divulge to any other person, except as
20 otherwise required by law, any information acquired by ~~him or~~
21 ~~her~~ *them* except at the direction of the employer or client for whom
22 the information was obtained.

23 (b) A licensee or officer, director, partner, qualified manager,
24 or employee of a licensee shall not knowingly make any false
25 report to ~~his or her~~ *their* employer or client for whom information
26 was being obtained.

27 (c) A written report shall not be submitted to a client except by
28 the licensee, qualified manager, or a person authorized by one or
29 either of them, and the person submitting the report shall exercise
30 diligence in ascertaining whether or not the facts and information
31 in the report are true and correct.

32 (d) A licensee, or officer, director, partner, qualified manager,
33 or employee of a licensee shall not use a badge in connection with
34 the official activities of the licensee's business.

35 (e) A licensee, or officer, director, partner, qualified manager,
36 or employee of a licensee, shall not use a title, or wear a uniform,
37 or use an insignia, or use an identification card, or make any
38 statement with the intent to give an impression that ~~he or she is~~
39 *they are* connected in any way with the federal government, a state
40 government, or any political subdivision of a state government.

1 (f) A licensee, or officer, partner, qualified manager, or
2 employee of a licensee shall not use any identification to indicate
3 that ~~he or she is~~ *they are* licensed as a private investigator other
4 than the official identification card issued by the bureau or the
5 business card regularly used by the business. However, a licensee
6 may issue an employer identification card.

7 (g) A licensee, or officer, director, partner, qualified manager,
8 or employee of a licensee, shall not enter any private building or
9 portion thereof, except premises commonly accessible to the public,
10 without the consent of the owner or of the person in legal
11 possession thereof.

12 (h) A licensee shall not permit an employee or agent in ~~his or~~
13 ~~her~~ *their* own name to advertise, engage clients, furnish reports or
14 present bills to clients, or in any manner conduct business for which
15 a license is required under this chapter. All business of the licensee
16 shall be conducted in the name of and under the control of the
17 licensee.

18 (i) A licensee, or officer, director, partner, qualified manager,
19 or employee of a licensee, shall not knowingly and directly solicit
20 employment from any person who has directly sustained bodily
21 injury or from that person's spouse or other family member to
22 obtain authorization on behalf of the injured person as an
23 investigator to investigate the accident or act that resulted in injury
24 or death to that person or damage to the property of that person.
25 This subdivision does not prohibit the soliciting of employment
26 from that injured person's attorney, insurance company,
27 self-insured administrator, insurance adjuster, employer, or any
28 other person having an indirect interest in the investigation of the
29 injury. This subdivision does not apply to any business agent or
30 attorney employed by a labor organization. A licensee, officer,
31 director, partner, or qualified manager of a licensee shall not pay
32 or compensate any of ~~his or her~~ *their* employees or agents on the
33 basis of a bonus, bounty, or quota system whereby a premium is
34 placed on the number of employer or client rule violations or
35 infractions purportedly discovered as a result of any investigation
36 made by a licensee.

37 (j) A licensee shall not use a fictitious business name in
38 connection with the official activities of the licensee's business,
39 except as provided by the bureau.

1 (k) This section shall become operative on January 1, ~~2021~~.
2 2024.

3 ~~SEC. 66.~~

4 *SEC. 98.* Section 8516 of the Business and Professions Code
5 is amended to read:

6 8516. (a) This section, and Section 8519, apply only to wood
7 destroying pests or organisms.

8 (b) A registered company or licensee shall not commence work
9 on a contract, or sign, issue, or deliver any documents expressing
10 an opinion or statement relating to the absence or presence of wood
11 destroying pests or organisms until an inspection has been made
12 by a licensed Branch 3 field representative or operator employed
13 by a registered company, except as provided in Section 8519.5.
14 The address of each property inspected or upon which work is
15 completed shall be reported on a form prescribed by the board and
16 shall be filed with the board no later than 10 business days after
17 the commencement of an inspection or upon completed work.

18 Every property inspected pursuant to this subdivision or Section
19 8518 shall be assessed a filing fee pursuant to Section 8674.

20 Failure of a registered company to report and file with the board
21 the address of any property inspected or work completed pursuant
22 to Section 8518 or this section is grounds for disciplinary action
23 and shall subject the registered company to a fine of not more than
24 two thousand five hundred dollars (\$2,500). The address of an
25 inspection report prepared for use by an attorney for litigation
26 purposes shall not be required to be reported to the board and shall
27 not be assessed a filing fee.

28 A written inspection report conforming to this section and a form
29 approved by the board shall be prepared and delivered to the person
30 requesting the inspection and the property owner, or to the property
31 owner's designated agent, within 10 business days from the start
32 of the inspection, except that an inspection report prepared for use
33 by an attorney for litigation purposes is not required to be reported
34 to the board or the property owner. An inspection report may be
35 a complete, limited, supplemental, or reinspection report, as defined
36 by Section 1993 of Title 16 of the California Code of Regulations.
37 The report shall be delivered before work is commenced on any
38 property. The registered company shall retain for three years all
39 inspection reports, field notes, and activity forms.

1 Reports shall be made available for inspection and reproduction
2 to the executive officer of the board or their duly authorized
3 representative during business hours. All inspection reports or
4 copies thereof shall be submitted to the board upon demand within
5 two business days. The following shall be set forth in the report:

6 (1) The start date of the inspection and the name of the licensed
7 field representative or operator making the inspection.

8 (2) The name and address of the person or firm ordering the
9 report.

10 (3) The name and address of the property owner and any person
11 who is a party in interest.

12 (4) The address or location of the property.

13 (5) A general description of the building or premises inspected.

14 (6) A foundation diagram or sketch of the structure or structures
15 or portions of the structure or structures inspected, including the
16 approximate location of any infested or infected areas evident, and
17 the parts of the structure where conditions that would ordinarily
18 subject those parts to attack by wood destroying pests or organisms
19 exist. Reporting of the infested or infected wood members, or parts
20 of the structure identified, shall be listed in the inspection report
21 to clearly identify them, as is typical in standard construction
22 components, including, but not limited to, siding, studs, rafters,
23 floor joists, fascia, subfloor, sheathing, and trim boards.

24 (7) Information regarding the substructure, foundation walls
25 and footings, porches, patios and steps, air vents, abutments, attic
26 spaces, roof framing that includes the eaves, rafters, fascias,
27 exposed timbers, exposed sheathing, ceiling joists, and attic walls,
28 or other parts subject to attack by wood destroying pests or
29 organisms. Conditions usually deemed likely to lead to infestation
30 or infection, such as earth-wood contacts, excessive cellulose
31 debris, faulty grade levels, excessive moisture conditions, evidence
32 of roof leaks, and insufficient ventilation are to be reported.

33 (8) One of the following statements, as appropriate, printed in
34 bold type:

35 (A) The exterior surface of the roof was not inspected. If you
36 want the water tightness of the roof determined, you should contact
37 a roofing contractor who is licensed by the Contractors State
38 License Board.

39 (B) The exterior surface of the roof was inspected to determine
40 whether or not wood destroying pests or organisms are present.

1 (9) Indication or description of any areas that are inaccessible
2 or not inspected with recommendation for further inspection if
3 practicable. If, after the report has been made in compliance with
4 this section, authority is given later to open inaccessible areas, a
5 supplemental report on conditions in these areas shall be made.

6 (10) Recommendations for corrective measures.

7 (11) Information regarding the pesticide or pesticides to be used
8 for their control or prevention as set forth in subdivision (a) of
9 Section 8538.

10 (12) The inspection report shall clearly disclose that if requested
11 by the person ordering the original report, a reinspection of the
12 structure will be performed if an estimate or bid for making repairs
13 was given with the original inspection report, or thereafter.

14 An estimate or bid shall be given separately allocating the costs
15 to perform each and every recommendation for corrective measures
16 as specified in subdivision (c) with the original inspection report
17 if the person who ordered the original inspection report so requests,
18 and if the registered company is regularly in the business of
19 performing each corrective measure.

20 If no estimate or bid was given with the original inspection
21 report, or thereafter, then the registered company shall not be
22 required to perform a reinspection.

23 A reinspection shall be an inspection of those items previously
24 listed on an original report to determine if the recommendations
25 have been completed. Each reinspection shall be reported on an
26 original inspection report form and shall be labeled "Reinspection."
27 Each reinspection shall also identify the original report by date.

28 After four months from an original inspection, all inspections
29 shall be original inspections and not reinspections.

30 Any reinspection shall be performed for not more than the price
31 of the registered company's original inspection price and shall be
32 completed within 10 business days after a reinspection has been
33 ordered.

34 (13) The inspection report shall contain the following statement,
35 printed in boldface type:

36
37 "NOTICE: Reports on this structure prepared by various
38 registered companies should list the same findings (i.e. termite
39 infestations, termite damage, fungus damage, etc.). However,
40 recommendations to correct these findings may vary from company

1 to company. You have a right to seek a second opinion from
2 another company.”

3
4 (c) At the time a report is ordered, the registered company or
5 licensee shall inform the person or entity ordering the report, that
6 a separate report is available pursuant to this subdivision. If a
7 separate report is requested at the time the inspection report is
8 ordered, the registered company or licensee shall separately identify
9 on the report each recommendation for corrective measures as
10 follows:

11 (1) The infestation or infection that is evident.

12 (2) The conditions that are present that are deemed likely to
13 lead to infestation or infection.

14 If a registered company or licensee fails to inform as required
15 by this subdivision and a dispute arises, or if any other dispute
16 arises as to whether this subdivision has been complied with, a
17 separate report shall be provided within 24 hours of the request
18 but, in no event, later than the next business day, and at no
19 additional cost.

20 (d) When a corrective condition is identified, either as paragraph
21 (1) or (2) of subdivision (c), and the property owner or the property
22 owner’s designated agent chooses not to correct those conditions,
23 the registered company or licensee shall not be liable for damages
24 resulting from a failure to correct those conditions or subject to
25 any disciplinary action by the board. Nothing in this subdivision,
26 however, shall relieve a registered company or a licensee of any
27 liability resulting from negligence, fraud, dishonest dealing, other
28 violations pursuant to this chapter, or contractual obligations
29 between the registered company or licensee and the responsible
30 parties.

31 (e) The inspection report form prescribed by the board shall
32 separately identify the infestation or infection that is evident and
33 the conditions that are present that are deemed likely to lead to
34 infestation or infection. If a separate form is requested, the form
35 shall explain the infestation or infection that is evident and the
36 conditions that are present that are deemed likely to lead to
37 infestation or infection and the difference between those conditions.
38 In no event, however, shall conditions deemed likely to lead to
39 infestation or infection be characterized as actual “defects” or as
40 actual “active” infestations or infections or in need of correction

1 as a precondition to issuing a certification pursuant to Section
2 8519.

3 (f) The report and any contract entered into shall also state
4 specifically when any guarantee for the work is made, and if so,
5 the specific terms of the guarantee and the period of time for which
6 the guarantee shall be in effect. If a guarantee extends beyond three
7 years, the registered company shall maintain all original inspection
8 reports, field notes, activity forms, and notices of completion for
9 the duration of the guarantee period and for one year after the
10 guarantee expires.

11 (g) For purposes of this section, “control service agreement”
12 means an agreement, including extended warranties, to have a
13 licensee conduct over a period of time regular inspections and
14 other activities related to the control or eradication of wood
15 destroying pests and organisms. Under a control service agreement
16 a registered company shall refer to the original report and contract
17 in a manner as to identify them clearly, and the report shall be
18 assumed to be a true report of conditions as originally issued,
19 except it may be modified after a control service inspection. A
20 registered company is not required to issue a report as outlined in
21 paragraphs (1) to (11), inclusive, of subdivision (b) after each
22 control service inspection. If after control service inspection, no
23 modification of the original report is made in writing, then it will
24 be assumed that conditions are as originally reported. A control
25 service contract shall state specifically the particular wood
26 destroying pests or organisms and the portions of the buildings or
27 structures covered by the contract.

28 (h) A registered company or licensee may enter into and
29 maintain a control service agreement provided the following
30 requirements are met:

31 (1) The control service agreement shall be in writing, signed by
32 both parties, and shall specifically include the following:

33 (A) The wood destroying pests and organisms covered by the
34 control service agreement.

35 (B) Any wood destroying pest or organism that is not covered
36 must be specifically listed.

37 (C) The type and manner of treatment to be used to correct the
38 infestations or infections.

39 (D) The structures or buildings, or portions thereof, covered by
40 the agreement, including a statement specifying whether the

1 coverage for purposes of periodic inspections is limited or full.
2 Any exclusions from those described in the original report must
3 be specifically listed.

4 (E) A reference to the original inspection report.

5 (F) The frequency of the inspections to be provided, the fee to
6 be charged for each renewal, and the duration of the agreement.

7 (G) Whether the fee includes structural repairs.

8 (H) If the services provided are guaranteed, and, if so, the terms
9 of the guarantee.

10 (I) A statement that all corrections of infestations or infections
11 covered by the control service agreement shall be completed within
12 six months of discovery, unless otherwise agreed to in writing by
13 both parties.

14 (2) The original inspection report, the control service agreement,
15 and completion report shall be maintained for three years after the
16 cancellation of the control service agreement.

17 (3) Inspections made pursuant to a control service agreement
18 shall be conducted by a Branch 3 licensee. Section 8506.1 does
19 not modify this provision.

20 (4) A full inspection of the property covered by the control
21 service agreement shall be conducted and a report filed pursuant
22 to subdivision (b) at least once every three years from the date that
23 the agreement was entered into, unless the consumer cancels the
24 contract within three years from the date the agreement was entered
25 into.

26 (5) Under a control service agreement, a written report shall be
27 required for the correction of any infestation or infection unless
28 all of the following conditions are met:

29 (A) The infestation or infection has been previously reported.

30 (B) The infestation or infection is covered by the control service
31 agreement.

32 (C) There is no additional charge for correcting the infestation
33 or infection.

34 (D) Correction of the infestation or infection takes place within
35 45 days of its discovery.

36 (E) Correction of the infestation or infection does not include
37 fumigation.

38 (6) All notice requirements pursuant to Section 8538 shall apply
39 to all pesticide treatments conducted under control service
40 agreements.

1 (i) All work recommended by a registered company, where an
2 estimate or bid for making repairs was given with the original
3 inspection report, or thereafter, shall be recorded on this report or
4 a separate work agreement and shall specify a price for each
5 recommendation. This information shall be provided to the person
6 requesting the inspection, and shall be retained by the registered
7 company with the inspection report copy for three years.

8 ~~SEC. 67.~~

9 *SEC. 99.* Section 10050 of the Business and Professions Code
10 is amended to read:

11 10050. (a) (1) There is in the Business, Consumer Services,
12 and Housing Agency a Department of Real Estate, the chief officer
13 of which department is named the Real Estate Commissioner.

14 (2) Notwithstanding any other law, the powers and duties of the
15 department, as set forth in this part and Chapter 1 (commencing
16 with Section 11000) of Part 2, shall be subject to review by the
17 appropriate policy committees of the Legislature. The review shall
18 be performed as if this part and that chapter were scheduled to be
19 repealed as of January 1, 2022.

20 (b) It shall be the principal responsibility of the commissioner
21 to enforce all laws in this part and Chapter 1 (commencing with
22 Section 11000) of Part 2 in a manner that achieves the maximum
23 protection for the buyers of real property and those persons dealing
24 with real estate licensees.

25 (c) Wherever the term “commissioner” is used in this division,
26 it means the Real Estate Commissioner.

27 (d) This section shall become operative on July 1, 2018.

28 ~~SEC. 68.~~

29 *SEC. 100.* Section 11301 of the Business and Professions Code
30 is amended to read:

31 11301. (a) (1) There is hereby created within the Department
32 of Consumer Affairs a Bureau of Real Estate Appraisers to
33 administer and enforce this part.

34 (2) Notwithstanding any other law, the powers and duties of the
35 bureau, as set forth in this part, shall be subject to review by the
36 appropriate policy committees of the Legislature. The review shall
37 be performed as if this part were scheduled to be repealed as of
38 January 1, 2022.

1 (b) Whenever the term “Office of Real Estate Appraisers”
2 appears in any other law, it means the “Bureau of Real Estate
3 Appraisers.”

4 ~~SEC. 69.~~

5 *SEC. 101.* Section 16100 of the Business and Professions Code
6 is amended to read:

7 16100. (a) The board of supervisors may in the exercise of its
8 police powers, and for the purpose of regulation, as herein
9 provided, and not otherwise, license any kind of business not
10 prohibited by law, transacted and carried on within the limits of
11 its jurisdiction, including all shows, exhibitions, and lawful games,
12 and may fix the rate of the license fee and provide for its collection
13 by suit or otherwise.

14 (b) No license fee levied pursuant to subdivision (a) that is
15 measured by the licensee’s income or gross receipts, whether levied
16 by a charter or general law county, shall apply to any nonprofit
17 organization that is exempted from taxes by Chapter 4
18 (commencing with Section 23701) of Part 11 of Division 2 of the
19 Revenue and Taxation Code or Subchapter F (commencing with
20 Section 501) of Chapter 1 of Subtitle A of the Internal Revenue
21 Code of 1986, or the successor of either, or to any minister,
22 clergyman, Christian Science practitioner, rabbi, or priest of any
23 religious organization that has been granted an exemption from
24 federal income tax by the United States Commissioner of Internal
25 Revenue as an organization described in Section 501(c)(3) of the
26 Internal Revenue Code or a successor to that section.

27 (c) Before a county issues a business license to a person to
28 conduct business as a contractor, as defined by Section 7026, the
29 county shall verify that the person is licensed by the Contractors
30 State License Board.

31 ~~SEC. 70.~~

32 *SEC. 102.* Section 19164 of the Business and Professions Code
33 is amended to read:

34 19164. The bureau may, by regulation, establish insulation
35 material standards governing the quality of all insulation material
36 sold or installed within this state, including those properties that
37 affect the safety and thermal performance of insulation material
38 during application and in the use intended. The standards shall
39 specify the initial performance of the insulation material and the
40 performance expected during the design life of the insulation

1 material. Until the bureau has adopted these regulations, the
2 regulations of the State Energy Resources Conservation and
3 Development Commission in effect on the effective date of this
4 section relating to those standards shall remain in full force and
5 effect. However, wherever those regulations specify that the
6 commission shall perform an act, the bureau instead shall perform
7 the act.

8 Prior to establishing the standards and procedures required by
9 this chapter, the bureau shall conduct at least two public hearings,
10 and shall invite the State Energy Resources Conservation and
11 Development Commission, the State Fire Marshal, manufacturers,
12 distributors, and licensed installers of insulation materials, and
13 appropriate members of the public to participate in the hearings.
14 Immediately upon adoption of the standards and procedures, the
15 bureau shall provide a copy of the standards to the State Energy
16 Resources Conservation and Development Commission, and the
17 Contractors State License Board. Within 30 days after receipt of
18 the bureau's standards, the Contractors State License Board shall
19 notify all state licensed contractors who install insulation of the
20 standards.

21 Insulation standards adopted by the bureau, pursuant to this
22 section, and by the State Energy Resources Conservation and
23 Development Commission, pursuant to Section 25402 of the Public
24 Resources Code, which are building standards, as defined in
25 Section 25488.5 of the Public Resources Code, shall be submitted
26 to the California Building Standards Commission for approval
27 pursuant to, and are governed by, the California Building Standards
28 Law (Part 2.5 (commencing with Section 18901) of Division 13
29 of the Health and Safety Code). The building standards adopted
30 by the bureau and published in the California Building Standards
31 Code shall comply with, and be enforced as provided in, this
32 section.

33 *SEC. 103. Section 1670.8.5 is added to the Civil Code, to read:*
34 *1670.8.5. (a) A contract or proposed contract for the provision*
35 *of a consumer service by a licensee regulated by a licensing board*
36 *shall not include a provision limiting the consumer's ability to file*
37 *a complaint with that board or to participate in the board's*
38 *investigation into the licensee.*

39 *(b) Any waiver of the provisions of this section is contrary to*
40 *public policy, and is void and unenforceable.*

1 (c) For purposes of this section, the following terms apply:

2 (1) “Consumer service” means any service that is obtained for
3 use primarily for personal, family, or household purposes.

4 (2) “Licensing board” means any entity described in Section
5 101 of the Business and Professions Code, the State Bar of
6 California, the Department of Real Estate, or any other state
7 agency that issues a license, certificate, or registration authorizing
8 a person to engage in a business or profession.

9 (d) Violation of this section by a licensee shall constitute
10 unprofessional conduct subject to discipline by the licensee’s
11 licensing board.

12 ~~SEC. 71.~~

13 SEC. 104. Section 94950 of the Education Code is amended
14 to read:

15 94950. This chapter shall remain in effect only until January
16 1, 2022, and as of that date is repealed.

17 ~~SEC. 72.~~

18 SEC. 105. No reimbursement is required by this act pursuant
19 to Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.