

March 14, 2019 Advisory Council Meeting Materials Packet

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**ADVISORY COUNCIL
MEETING NOTICE &
AGENDA
March 14, 2019 | Thursday |
9:00 am Until the
Completion of Business**

Meeting Location:
Department of Consumer Affairs – DCA HQ2
1747 North Market Blvd, Room 186, Sacramento, CA 95834

**Teleconference
Participation Option:** Phone
Number: (866) 842-2981
Participant Passcode #:
4598662

Webcast Option:
The Bureau plans to webcast this meeting at <https://thedcapage.blog/webcasts/>. Webcast availability cannot, however, be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available. If you wish to participate or to have a guaranteed opportunity to observe, please plan to attend at a physical location.

Advisory Council Members:

Pascal Benyamini, Industry	Sharron Bradley, Industry
Burt Grimes, Industry	Chris Higdon, Industry
Judy Levin, Public	Michael Lipsett, Public
Donald Lucas, Public	Steven McDaniel, Industry
Toni Stein, Public	Steve Weitekamp, Industry
Brandon Wilson, Industry	David Yarbrough, Industry

The time and order of agenda items are subject to change at the discretion of the Advisory Council and may be taken out of order. The Bureau welcomes and encourages public participation in its meetings. The public may take appropriate opportunities to comment on any issue before the Bureau at the time the item is heard. If public comment is not specifically requested, members of the public should feel free to request an opportunity to comment, either in person, written or via the conference calling system provided.

This designated meeting facility is accessible to the physically disabled. A person who needs a disability-related accommodation to participate in the meeting may make a request by contacting Rita Wong via email Rita.Wong@dca.ca.gov or for the hearing impaired: TDD (800) 326-2297; or by sending a written request to the address indicated above. Please provide at least five working days' notice before the meeting to help ensure accommodations.

AGENDA

1. Welcome and Introductions
 - a. Facility Safety and Courtesy Items
 - b. Roll Call of the Council/Audience/Teleconference Participants Noticed
 - c. Review and Discuss Future Meeting Dates
 - d. November Council Meeting Recap

2. Operations Update
 - a. Budget
 - b. Personnel
 - c. Outreach, Consumer Education
 - d. Updated Directory of Certified Insulation Materials
 - e. NVLAP On-Site Assessment

3. Statistical Overview
 - a. Licensing Categories
 - b. Consumer Complaints
 - c. Enforcement and Investigations
 - d. Laboratory Testing

4. Legislative Update
 - a. [AB 193 \(Patterson\) – Professions and Vocations](#)
 - b. [AB 613 \(Low\) – Professions and Vocations: Regulatory Fees](#)
 - c. [AB 1296 \(Gonzalez\) – Tax Recovery in the Underground Economy Criminal Enforcement Program](#)
 - d. [AB 1469 \(Low\) – Electronic and Appliance Repairers: Trade Standards: Review](#)
 - e. [SB 358 \(Committee on Transportation\) – Vehicles: Safety Regulations](#)
 - f. [SB 391 \(Monning\) – Household Movers Act: Enforcement; Special Investigators and Supervising Special Investigators](#)
 - g. S. 3551 (Wicker) – Safer Occupancy Furniture Flammability Act

5. Regulations Update
 - a. Statutorily Required Amendments to Title 4, California Code of Regulations (CCR) §§1380 and 1381; Title 16, CCR §§2767 and 2768; and new CCR sections, Title 16 – Substantial Relationship Criteria and Rehabilitation Criteria
 - b. Title 4, CCR §§1374 and 1374.3 – [TB 133 Repeal](#)
 - c. Section 100 Rulemaking Proposal – Bureau Name Change

6. Rules and Regulations Books Update
7. Recap of Regulations Workshops
 - a. Home Furnishings Labeling Regulations – February 5, 2019
 - b. Household Movers Initial Rulemaking Workshop – February 7, 2019
8. Discussion of Updated [Max Rate Tariff 4](#) Effective February 15, 2019
9. California Building Standards Commission Regulatory Amendment to Title 24 – Flammability Standards for Building Insulation Materials
 - a. Background and Summary of Amendments
 - b. Impact to Bureau
10. Public Comment on Items Not on The Agenda
11. Future Agenda Items/Meeting Dates
12. Adjournment

Agenda Item 2a: Budget Update

0325 - Electronic and Appliance Repair Analysis of Fund Condition

Prepared 12.10.2018

(Dollars in Thousands)

Governor's Budget	Governor's Budget		
	PY 2017-18	CY 2018-19	BY 2019-20
BEGINNING BALANCE	\$ 2,848	\$ 2,962	\$ 3,300
Prior Year Adjustment	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 2,848	\$ 2,962	\$ 3,300
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4121200 Delinquent fees	\$ 108	\$ 96	\$ 97
4127400 Renewal fees	\$ 2,443	\$ 2,486	\$ 2,511
4129200 Other regulatory fees	\$ 20	\$ 29	\$ 29
4129400 Other regulatory licenses and permits	\$ 398	\$ 626	\$ 627
4163000 Income from surplus money investments	\$ 9	\$ 49	\$ 52
4171400 Escheat of unclaimed checks and warrants	\$ 2	\$ 10	\$ 10
Total Revenues, Transfers, and Other Adjustments	\$ 2,980	\$ 3,296	\$ 3,326
Total Resources	\$ 5,828	\$ 6,258	\$ 6,626
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 2,701	\$ 2,802	\$ 2,829
8880 Financial Information System for California (State Operations)	\$ 4	\$ -	\$ -1
9892 Supplemental Pension Payments (State Operations)	\$ -	\$ 21	\$ 46
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 161	\$ 135	\$ 149
Total Expenditures and Expenditure Adjustments	\$ 2,866	\$ 2,958	\$ 3,023
FUND BALANCE			
Reserve for economic uncertainties	\$ 2,962	\$ 3,300	\$ 3,603
Months in Reserve	12.0	13.1	14.2

0752 - Home Furnishings and Thermal Insulation Analysis of Fund Condition

Prepared 12.10.2018

(Dollars in Thousands)

Governor's Budget	Governor's Budget		
	PY 2017-18	CY 2018-19	BY 2019-20
BEGINNING BALANCE	\$ 3,054	\$ 2,837	\$ 2,914
Prior Year Adjustment	\$ -	\$ -	\$ -
Adjusted Beginning Balance	<u>\$ 3,054</u>	<u>\$ 2,837</u>	<u>\$ 2,914</u>
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4121200 Delinquent fees	\$ 116	\$ 117	\$ 110
4127400 Renewal fees	\$ 3,679	\$ 3,876	\$ 4,053
4129200 Other regulatory fees	\$ 114	\$ 137	\$ 124
4129400 Other regulatory licenses and permits	\$ 1,116	\$ 1,174	\$ 1,186
4163000 Investment Income - Surplus Money Investments	\$ 9	\$ 43	\$ 46
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	\$ 6	\$ 10	\$ 10
4171500 Escheat - Unclaimed Property	\$ -	\$ 7	\$ 7
4172500 Miscellaneous revenues	\$ 1	\$ -	\$ -
Total Revenues, Transfers, and Other Adjustments	<u>\$ 5,041</u>	<u>\$ 5,364</u>	<u>\$ 5,536</u>
Total Resources	<u>\$ 8,095</u>	<u>\$ 8,201</u>	<u>\$ 8,450</u>
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 4,984	\$ 5,035	\$ 5,297
8880 Financial Information System for California (State Operations)	\$ 6	\$ 1	\$ -1
9892 Supplemental Pension Payments (State Operations)	\$ -	\$ 50	\$ 111
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	<u>\$ 268</u>	<u>\$ 201</u>	<u>\$ 291</u>
Total Expenditures and Expenditure Adjustments	<u>\$ 5,258</u>	<u>\$ 5,287</u>	<u>\$ 5,698</u>
FUND BALANCE			
Reserve for economic uncertainties	\$ 2,837	\$ 2,914	\$ 2,752
Months in Reserve	6.4	6.1	5.8

3315 - Household Movers Fund

Analysis of Fund Condition

Prepared 12-10-2018

(Dollars in Thousands)

Governor's Budget	Governor's Budget		
	PY 2017-18	CY 2018-19	BY 2019-20
BEGINNING BALANCE	\$ -	\$ -	\$ 1,407
Prior Year Adjustment	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ -	\$ -	\$ 1,407
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4129200 Other Regulatory Fees	\$ -		\$ 2,596
4129400 Other Regulatory Licenses and Permits	\$ -		\$ 90
4163000 Investment Income - Surplus Money Investments	\$ -		\$ 40
4173000 Penalty Assessments - Other	\$ -	\$ 2	\$ 2
Totals, Revenues	\$ -	\$ 2,622	\$ 2,728
Transfers and Other Adjustments			
Revenue Transfer from Household Mover's Fund (3315) to Motor Carriers Safety Improvement Fund (0293) per Public Utilities Code Section 5003.1	\$ -	\$ -21	\$ -21
Revenue Transfer from the Transportation Rate Fund (0412) to the Household Mover's Fund (3315) per 8660-011-0412 and 8660-401, Budget Act of 2018	\$ -	\$ 750	\$ -
Revenue Transfer from the Transportation Rate Fund (0412) to Household Movers Fund (3315) per 8660-401, Budget Act of 2018	\$ -	\$ 558	\$ -
Total Revenues, Transfers, and Other Adjustments	\$ -	\$ 3,909	\$ 2,707
Total Resources	\$ -	\$ 3,909	\$ 4,114
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ -	\$ 2,502	\$ 2,276
Total Expenditures and Expenditure Adjustments	\$ -	\$ 2,502	\$ 2,276
FUND BALANCE			
Reserve for economic uncertainties	\$ -	\$ 1,407	\$ 1,838
MONTHS IN RESERVE	0.0	7.4	9.5

Agenda Item 3a: Licensing Statistical Overview

LICENSING STATISTICS

Electronic and Appliance Repair Registrations				
	2015-16	2016-17	2017-18	2018-19*
Appliance Service Dealers	2,577	2,602	2,669	2,685
Electronic Service Dealer	5,043	5,047	4,832	4,743
Combination Electronic/Appliance Service Dealer	487	597	559	554
Service Contract Administrator	43	48	47	53
Service Contract Seller	10,544	12,062	14,115	12,198
Total Active EAR Registrations	18,683	20,356	22,222	20,237

Household Furnishings and Thermal Insulation Licenses				
	2015-16	2016-17	2017-18	2018-19*
Furniture Retailers	2,251	2,277	2,053	2,088
Bedding Retailers	1,617	1,612	2,095	2,268
Furniture & Bedding Retailers	11,656	11,630	11,834	11,445
Custom Upholsterers	479	507	499	469
Supply Dealers	130	114	107	98
Importers (includes overseas Manufacturers)	4,526	4,877	5,257	5,405
Manufacturers	1,468	1,537	1,520	1,501
Sanitizers	15	12	12	14
Wholesalers	154	180	195	191
Thermal Insulation Manufacturers	118	108	110	108
Total Active HFTI Licenses	22,414	22,854	23,627	23,587

Household Movers Permits				
	2015-16	2016-17	2017-18	2018-19*
Permits Issued				51
Total Active HHM Permits				926

Household Movers Exams			
Month	# of Exams (Passed)	# of Exams (Failed)	Exams Taken
July	0	0	0
August	10	9	19
September	14	4	18
October	0	0	0
November	13	7	20
December	7	6	13
January	16	3	19
Total	60	29	89

*As of January 31, 2019

Agenda Item 3b: Consumer Complaints Statistical Overview

CONSUMER COMPLAINT STATISTICS

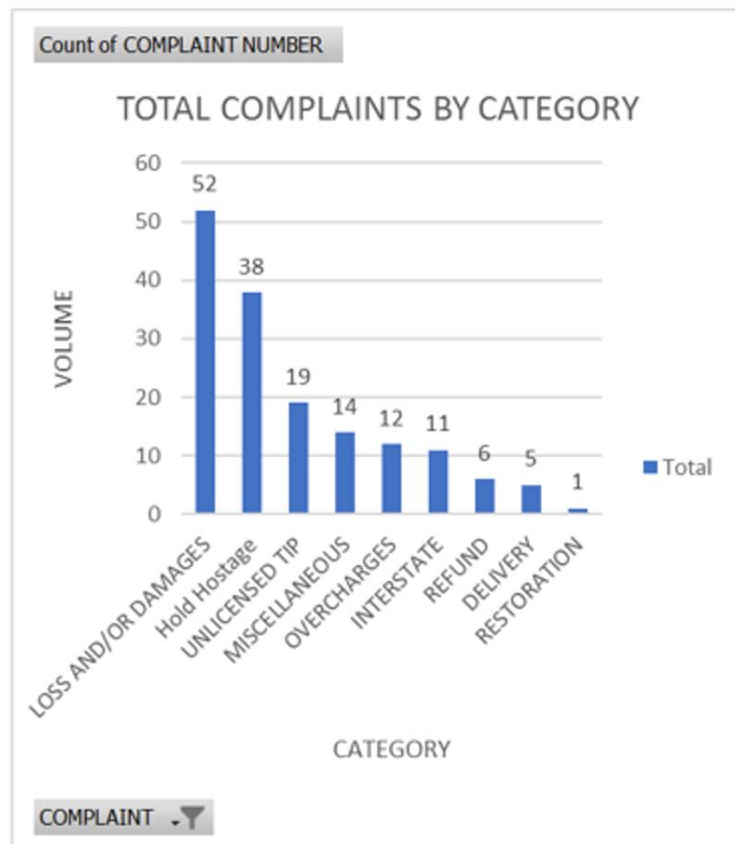
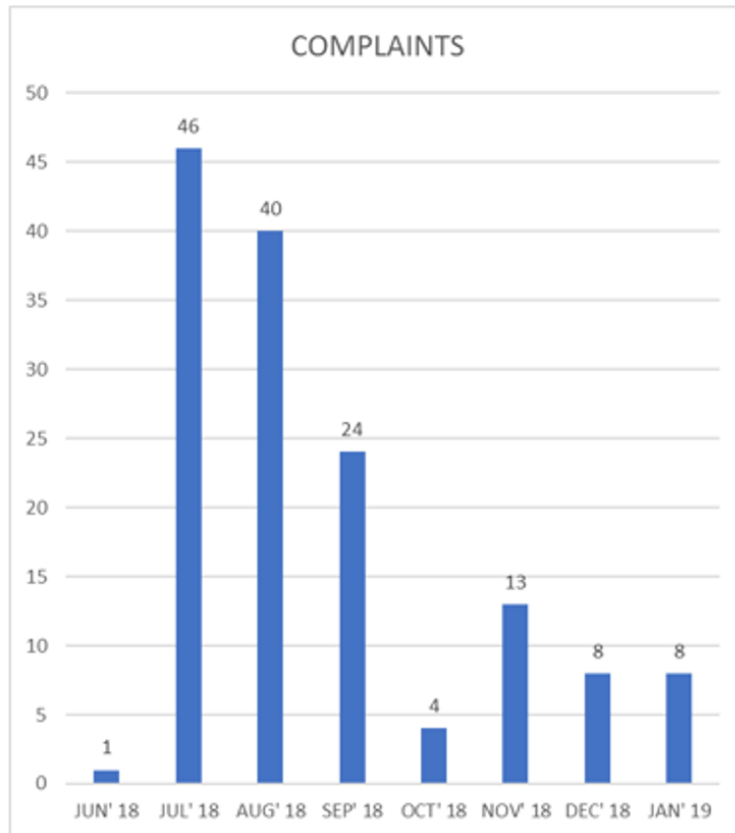
Electronic and Appliance Repair Consumer Complaints		
Year	OPENED	CLOSED
2015-16	678	758
2016-17	582	582
2017-18	1019	1014
2018-19*	336	336

Household Furnishings and Thermal Insulation Consumer Complaints		
Year	OPENED	CLOSED
2015-16	299	303
2016-17	237	248
2017-18	288	281
2018-19*	100	108

Household Movers Consumer Complaints		
Year	OPENED	CLOSED
2015-16		
2016-17		
2017-18		
2018-19*	159	107

*As of January 31, 2019

BREAKDOWN OF HOUSEHOLD MOVERS COMPLAINTS



Agenda Item 3c: Enforcement and Investigations Statistical Overview

BEAR/BHFTI ENFORCEMENT STATISTICS

- There has been one (1) case forwarded to the Attorney General's Office in FY 2018/19, and two (2) cases currently pending.
- There is currently 1 licensee on Probation.

TELEPHONE DISCONNECTS ORDERED			
Year	EAR	HFTI	Total
2015-16	78	19	97
2016-17	42	16	58
2017-18	48	17	65
2018-19*	14	9	23

INTERNAL CASES (Investigations)						
OPENED				CLOSED		
Year	EAR	HFTI	Total	EAR	HFTI	Total
2015-16	1,048	584	1,632	1,109	607	1,716
2016-17	730	451	1,181	790	418	1,208
2017-18	624	355	979	705	388	1093
2018-19*	230	135	365	260	138	398

CITATIONS ISSUED			
Year	EAR	HFTI	Total
2015-16	985	537	1,522
2016-17	684	402	1,086
2017-18	550	305	855

*As of January 31, 2019

HOUSEHOLD MOVERS ENFORCEMENT AND INVESTIGATION STATISTICS

July 2018-February 2019

Household Mover Cases Under Investigation	
July 2018-February 2019	205

Hold Hostage Situations	
Resolved	28
Pending	6
Forwarded to Other Agencies	6
Total	40

Cease and Desist Letters Issued	
(Failure of Movers to Cease and Desist will result in Administrative Citations)	42

Investigative Subpoenas Issued	
July 2018-February 2019	2

Investigations Referred to District Attorney	
July 2018-February 2019	1

Agenda Item 3d: Laboratory Testing Statistical Overview

LAB STATISTICS

Workload Analysis: Data for FYTD 18/19

Type Test	Received 07/01/18-03/01/19	Completed Samples 07/01/18-03/01/19	
		Pass	Fail
TB117-2013	69	52 (90%)	6 (10%)
16 CFR 1633	23	24 (83%)	5 (17%)
Thermal Insulation	4	0	0
Bedding (No flammability tests)	31	26 (79%)	7 (21%)
**Labeling	N/A	22 (18%)	99 (82%)
Total	127	---	---

**This category includes labeling results for all products except for Thermal Insulation.

FR Chemical Labeling and Analysis: Data for FYTD 18/19

Samples Received with the Flame Retardant Chemical Statement (TB117-2013) 07/01/18-03/01/19				
"NO" Chemicals Checked	Contains Chemicals	No Box Checked	FR Doc Request Sent	DTSC Analysis Conducted
65	4	0	23	23
94%	6%	0%	35% of those marked "NO"	35% of those marked "NO"

Samples Analyzed with the "NO" Flame Retardant Chemical Statement 07/01/18-03/01/19				
Type Test	Pass		Fail	
	No.	%	No.	%
DTSC Analysis (23)*	12	52%	2	9%
FR Doc Review (23)**	17	74%	4	17%

*Testing in progress for nine components- quantitative analysis

**Testing in progress for two components

Agenda Item 4: Legislative Update

ASSEMBLY BILL

No. 193

Introduced by Assembly Member Patterson

January 10, 2019

An act to amend Sections 7026.1, 7316, 7332, 7334, 7337.5, 7396, 7423, 19011, 19017, 19051, 19059.5, 19060.6, and 19170 of, to add and repeal Section 101.5 of, and to repeal Sections 7326, 7365, 19010.1, and 19052 of, the Business and Professions Code, and to amend Section 110371 of the Health and Safety Code, relating to professions and vocations.

LEGISLATIVE COUNSEL’S DIGEST

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

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

This bill would require the department, beginning on January 1, 2021, to conduct a comprehensive review of all occupational licensing requirements and identify unnecessary licensing requirements that cannot be adequately justified. The bill would require the department to report to the Legislature on January 1, 2023, and every 2 years thereafter, on the department’s progress, and would require the department to issue a final report to the Legislature no later than January 1, 2033. The bill would require the department to apply for federal funds that have been made available specifically for the purpose of reviewing, updating, and eliminating overly burdensome licensing requirements, as provided.

(2) Existing law provides for the licensure and regulation of contractors by the Contractors’ State License Board in the department and includes within the term “contractor” a person who performs tree removal, tree pruning, stump removal, or engages in tree or limb cabling or guying.

This bill would delete tree pruning from those provisions.

(3) Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practice of cosmetology by the State Board of Barbering and Cosmetology in the department and defines the practice of both barbering and cosmetology to include shampooing the hair of any person. The act also specifies that, within the practice of cosmetology, there is the specialty branch of skin care, which includes applying makeup, and the specialty branch of nail care, which includes cutting, trimming, polishing, coloring, tinting, cleansing, manicuring, or pedicuring the nails of any person.

This bill would delete shampooing another person from the practice of barbering and cosmetology, would delete the act of applying makeup on another person from the specialty practice of skin care, and would delete nail care from the practice of cosmetology.

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

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

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

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

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

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

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

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

1 (c) Researchers show that occupational licensing restrictions
2 can result in almost three million fewer jobs and a cost of over
3 \$200,000,000,000 to consumers.

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

7 (e) California is the most broadly and onerously licensed state
8 in the nation and has been identified as the nation's worst licensing
9 environment for workers in lower-income occupations.

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

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

14 101.5. (a) The department shall apply for federal funds that
15 have been made available specifically for the purposes of
16 reviewing, updating, and eliminating overly burdensome licensing
17 requirements.

18 (b) Beginning on January 1, 2021, the department shall conduct
19 a comprehensive review of all occupational licensing requirements
20 and shall identify unnecessary licensing requirements that cannot
21 be adequately justified. The department shall conduct the review
22 whether or not the state receives federal funds pursuant to
23 subdivision (a).

24 (c) The department shall report to the Legislature on January
25 1, 2023, and every two years thereafter until the department has
26 completed its review, on the department's progress in conducting
27 the review. The department shall issue a final report to the
28 Legislature no later than January 1, 2033.

29 (d) A report to be submitted pursuant to subdivision (c) shall
30 be submitted in compliance with Section 9795 of the Government
31 Code.

32 (e) Notwithstanding Section 10231.5 of the Government Code,
33 this section is repealed on January 1, 2034.

34 SEC. 3. Section 7026.1 of the Business and Professions Code
35 is amended to read:

36 7026.1. (a) The term "contractor" includes all of the following:

37 (1) Any person not exempt under Section 7053 who maintains
38 or services air-conditioning, heating, or refrigeration equipment
39 that is a fixed part of the structure to which it is attached.

1 (2) (A) Any person, consultant to an owner-builder, firm,
2 association, organization, partnership, business trust, corporation,
3 or company, who or which undertakes, offers to undertake, purports
4 to have the capacity to undertake, or submits a bid to construct
5 any building or home improvement project, or part thereof.

6 (B) For purposes of this paragraph, a consultant is a person,
7 other than a public agency or an owner of privately owned real
8 property to be improved, who meets either of the following criteria
9 as it relates to work performed pursuant to a home improvement
10 contract as defined in Section 7151.2:

11 (i) Provides or oversees a bid for a construction project.

12 (ii) Arranges for and sets up work schedules for contractors and
13 subcontractors and maintains oversight of a construction project.

14 (3) A temporary labor service agency that, as the employer,
15 provides employees for the performance of work covered by this
16 chapter. The provisions of this paragraph shall not apply if there
17 is a properly licensed contractor who exercises supervision in
18 accordance with Section 7068.1 and who is directly responsible
19 for the final results of the work. Nothing in this paragraph shall
20 require a qualifying individual, as provided in Section 7068, to be
21 present during the supervision of work covered by this chapter. A
22 contractor requesting the services of a temporary labor service
23 agency shall provide ~~his or her~~ *the contractor's* license number to
24 that temporary labor service agency.

25 (4) Any person not otherwise exempt by this ~~chapter,~~ *chapter*
26 who performs tree removal, ~~tree pruning,~~ stump removal, or
27 engages in tree or limb cabling or guying. The term contractor
28 does not include a person performing the activities of a
29 nurseryperson who in the normal course of routine work performs
30 incidental pruning of trees, or guying of planted trees and their
31 limbs. The term contractor does not include a gardener who in the
32 normal course of routine work performs incidental pruning of trees
33 measuring less than 15 feet in height after planting.

34 (5) Any person engaged in the business of drilling, digging,
35 boring, or otherwise constructing, deepening, repairing
36 re-perforating, or abandoning any water well, cathodic protection
37 well, or monitoring well.

38 (b) The term "contractor" or "consultant" does not include a
39 common interest development manager, as defined in Section
40 11501, and a common interest development manager is not required

1 to have a contractor's license when performing management
2 services, as defined in subdivision (d) of Section 11500.

3 SEC. 4. Section 7316 of the Business and Professions Code is
4 amended to read:

5 7316. (a) The practice of barbering is all or any combination
6 of the following practices:

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

8 (2) Giving facial and scalp massages or treatments with oils,
9 creams, lotions, or other preparations either by hand or mechanical
10 appliances.

11 (3) Singeing, ~~shampooing~~, arranging, dressing, curling, waving,
12 chemical waving, hair relaxing, or dyeing the hair or applying hair
13 tonics.

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

16 (5) Hairstyling of all textures of hair by standard methods that
17 are current at the time of the hairstyling.

18 (b) The practice of cosmetology is all or any combination of
19 the following practices:

20 (1) Arranging, dressing, curling, waving, machineless permanent
21 waving, permanent waving, cleansing, cutting, ~~shampooing~~,
22 relaxing, singeing, bleaching, tinting, coloring, straightening,
23 dyeing, applying hair tonics to, beautifying, or otherwise treating
24 by any means, the hair of any person.

25 (2) Massaging, cleaning, or stimulating the scalp, face, neck,
26 arms, or upper part of the human body, by means of the hands,
27 devices, apparatus or appliances, with or without the use of
28 cosmetic preparations, antiseptics, tonics, lotions, or creams.

29 (3) Beautifying the face, neck, arms, or upper part of the human
30 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
31 or creams.

32 (4) Removing superfluous hair from the body of any person by
33 the use of depilatories or by the use of tweezers, chemicals, or
34 preparations or by the use of devices or appliances of any kind or
35 description, except by the use of light waves, commonly known
36 as rays.

37 ~~(5) Cutting, trimming, polishing, tinting, coloring, cleansing,~~
38 ~~or manicuring the nails of any person.~~

39 ~~(6)~~

1 (5) Massaging, cleansing, treating, or beautifying the hands or
2 feet of any person.

3 (c) Within the practice of cosmetology there ~~exist~~ *exists* the
4 specialty ~~branches of skin care and nail care.~~

5 ~~(1) Skin care branch of skin care, which~~ is any one or more of
6 the following practices:

7 ~~(A)~~

8 (1) Giving facials, ~~applying makeup,~~ giving skin care, removing
9 superfluous hair from the body of any person by the use of
10 depilatories, tweezers or waxing, or applying eyelashes to any
11 person.

12 ~~(B)~~

13 (2) Beautifying the face, neck, arms, or upper part of the human
14 body, by use of cosmetic preparations, antiseptics, tonics, lotions,
15 or creams.

16 ~~(C)~~

17 (3) Massaging, cleaning, or stimulating the face, neck, arms, or
18 upper part of the human body, by means of the hands, devices,
19 apparatus, or appliances, with the use of cosmetic preparations,
20 antiseptics, tonics, lotions, or creams.

21 ~~(2) Nail care is the practice of cutting, trimming, polishing,~~
22 ~~coloring, tinting, cleansing, manicuring, or pedicuring the nails of~~
23 ~~any person or massaging, cleansing, or beautifying from the elbow~~
24 ~~to the fingertips or the knee to the toes of any person.~~

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

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

28 (2) Natural hair braiding. Natural hair braiding is a service that
29 results in tension on hair strands or roots by twisting, wrapping,
30 weaving, extending, locking, or braiding by hand or mechanical
31 device, provided that the service does not include haircutting or
32 the application of dyes, reactive chemicals, or other preparations
33 to alter the color of the hair or to straighten, curl, or alter the
34 structure of the hair.

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

38 (e) Notwithstanding paragraph (2) of subdivision (d), a person
39 who engages in natural hairstyling, which is defined as the
40 provision of natural hair braiding services together with any of the

1 services or procedures defined within the regulated practices of
2 barbering or cosmetology, is subject to regulation pursuant to this
3 chapter and shall obtain and maintain a barbering or cosmetology
4 license as applicable to the services respectively offered or
5 performed.

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

9 "Electrolysis" as used in this chapter includes electrolysis or
10 thermolysis.

11 SEC. 5. Section 7326 of the Business and Professions Code is
12 repealed.

13 ~~7326. The board shall admit to examination for a license as a
14 manicurist to practice nail care, any person who has made
15 application to the board in proper form, paid the fee required by
16 this chapter, and is qualified as follows:~~

17 ~~(a) Is not less than 17 years of age.~~

18 ~~(b) Has completed the 10th grade in the public schools of this
19 state or its equivalent.~~

20 ~~(c) Is not subject to denial pursuant to Section 480.~~

21 ~~(d) Has done any of the following:~~

22 ~~(1) Completed a course in nail care from a school approved by
23 the board.~~

24 ~~(2) Practiced nail care, as defined in this chapter, outside of this
25 state for a period of time equivalent to the study and training of a
26 qualified person who has completed a course in nail care from a
27 school the curriculum of which complied with requirements
28 adopted by the board. Each three months of practice shall be
29 deemed the equivalent of 100 hours of training for qualification
30 under paragraph (1).~~

31 ~~(3) Completed the apprenticeship program in nail care specified
32 in Article 4 (commencing with Section 7332).~~

33 SEC. 6. Section 7332 of the Business and Professions Code is
34 amended to read:

35 7332. (a) An apprentice is any person who is licensed by the
36 board to engage in learning or acquiring a knowledge of barbering,
37 cosmetology, skin care, ~~nail care~~, or electrology, in a licensed
38 establishment under the supervision of a licensee approved by the
39 board.

1 (b) For purposes of this section, “under the supervision of a
 2 licensee” means that the apprentice shall be supervised at all times
 3 by a licensee approved by the board while performing services in
 4 a licensed establishment. At no time shall an apprentice be the
 5 only individual working in the establishment. An apprentice that
 6 is not being supervised by a ~~licensee~~, licensee that has been
 7 approved by the board to supervise an ~~apprentice~~, apprentice shall
 8 be deemed to be practicing unlicensed under this chapter.

9 SEC. 7. Section 7334 of the Business and Professions Code is
 10 amended to read:

11 7334. (a) The board may license as an apprentice in barbering,
 12 cosmetology, ~~or skin-care, or nail~~ care any person who has made
 13 application to the board upon the proper form, has paid the fee
 14 required by this chapter, and who is qualified as follows:

- 15 (1) Is over 16 years of age.
- 16 (2) Has completed the 10th grade in the public schools of this
 17 state or its equivalent.
- 18 (3) Is not subject to denial pursuant to Section 480.
- 19 (4) Has submitted evidence acceptable to the board that any
 20 training the apprentice is required by law to obtain shall be
 21 conducted in a licensed establishment and under the supervision
 22 of a licensee approved by the board.

23 (b) The board may license as an apprentice in electrolysis any
 24 person who has made application to the board upon the proper
 25 form, has paid the fee required by this chapter, and who is qualified
 26 as follows:

- 27 (1) Is not less than 17 years of age.
- 28 (2) Has completed the 12th grade or an accredited senior high
 29 school course of study in schools of this state or its equivalent.
- 30 (3) Is not subject to denial pursuant to Section 480.
- 31 (4) Has submitted evidence acceptable to the board that any
 32 training the apprentice is required by law to obtain shall be
 33 conducted in a licensed establishment and under the supervision
 34 of a licensee approved by the board.

35 (c) All persons making application as an apprentice in barbering
 36 shall also complete a minimum of 39 hours of preapprentice
 37 training in a facility approved by the board prior to serving the
 38 general public.

39 (d) All persons making application as an apprentice in
 40 cosmetology, skin care, ~~nail-care~~, or electrology shall also complete

1 minimum preapprentice training for the length of time established
2 by the board in a facility approved by the board prior to serving
3 the general public.

4 (e) Apprentices may only perform services on the general public
5 for which they have received technical training.

6 (f) Apprentices shall be required to obtain at least the minimum
7 hours of technical instruction and minimum number of practical
8 operations for each subject as specified in board regulations for
9 courses taught in schools approved by the board, in accordance
10 with Sections 3074 and 3078 of the Labor Code.

11 SEC. 8. Section 7337.5 of the Business and Professions Code
12 is amended to read:

13 7337.5. (a) The board shall adopt regulations providing for
14 the submittal of applications for admission to examination of
15 students of approved cosmetology, electrology, or barbering
16 schools who have completed at least 75 percent of the required
17 course clock hours and curriculum requirements (60 percent for
18 students of the manicurist course), or any person licensed as an
19 apprentice in barbering, cosmetology, *or* skin-~~care, or nail~~ care
20 who has completed at least 75 percent of the required
21 apprenticeship training hours. The regulations shall include
22 provisions that ensure that all proof of qualifications of the
23 applicant is received by the board before the applicant is examined.

24 (b) An application for examination submitted by a student of
25 an approved cosmetology, electrology, or barbering school under
26 this section shall be known as a "school preapplication" and an
27 additional preapplication fee may be required.

28 (c) An application for examination submitted by a person
29 licensed as an apprentice in barbering, cosmetology, *or* skin-~~care,~~
30 ~~or nail~~ care shall be known as an "apprenticeship preapplication"
31 and an additional fee may be required.

32 (d) The board shall administer the licensing examination not
33 later than 10 working days after graduation from an approved
34 cosmetology, electrology, or barbering school to students who
35 have submitted an application for admission for examination under
36 the preapplication procedure, or not later than 10 working days
37 after completion of an approved barbering, cosmetology, *or* skin
38 ~~care, or nail~~ care apprenticeship program for a person licensed as
39 an apprentice.

1 SEC. 9. Section 7365 of the Business and Professions Code is
2 repealed.

3 ~~7365. A nail care course established by a school shall consist~~
4 ~~of not less than 350 hours of practical training and technical~~
5 ~~instruction in accordance with a curriculum established by board~~
6 ~~regulation.~~

7 SEC. 10. Section 7396 of the Business and Professions Code
8 is amended to read:

9 7396. The form and content of a license issued by the board
10 shall be determined in accordance with Section 164.

11 The license shall prominently state that the holder is licensed as
12 a barber, cosmetologist, esthetician, ~~manicurist~~, electrologist, or
13 apprentice, and shall contain a photograph of the licensee.

14 SEC. 11. Section 7423 of the Business and Professions Code
15 is amended to read:

16 7423. The amounts of the fees required by this chapter relating
17 to licenses for individual practitioners are as follows:

18 (a) (1) ~~Cosmetologist~~—A *cosmetologist* application and
19 examination fee shall be the actual cost to the board for developing,
20 purchasing, grading, and administering the examination.

21 (2) A cosmetologist initial license fee shall not be more than
22 fifty dollars (\$50).

23 (b) (1) An esthetician application and examination fee shall be
24 the actual cost to the board for developing, purchasing, grading,
25 and administering the examination.

26 (2) An esthetician initial license fee shall not be more than forty
27 dollars (\$40).

28 ~~(c) (1) A manicurist application and examination fee shall be~~
29 ~~the actual cost to the board for developing, purchasing, grading,~~
30 ~~and administering the examination.~~

31 ~~(2) A manicurist initial license fee shall not be more than~~
32 ~~thirty five dollars (\$35).~~

33 ~~(d)~~

34 (c) (1) A barber application and examination fee shall be the
35 actual cost to the board for developing, purchasing, grading, and
36 administering the examination.

37 (2) A barber initial license fee shall be not more than fifty dollars
38 (\$50).

39 ~~(e)~~

1 (d) (1) An electrologist application and examination fee shall
2 be the actual cost to the board for developing, purchasing, grading,
3 and administering the examination.

4 (2) An electrologist initial license fee shall be not more than
5 fifty dollars (\$50).

6 ~~(f)~~

7 (e) An apprentice application and license fee shall be not more
8 than twenty-five dollars (\$25).

9 ~~(g)~~

10 (f) The license renewal fee for individual practitioner licenses
11 that are subject to renewal shall be not more than fifty dollars
12 (\$50).

13 ~~(h)~~

14 (g) Notwithstanding Section 163.5 the license renewal
15 delinquency fee shall be 50 percent of the renewal fee in effect on
16 the date of renewal.

17 ~~(i)~~

18 (h) Any preapplication fee shall be established by the board in
19 an amount sufficient to cover the costs of processing and
20 administration of the preapplication.

21 SEC. 12. Section 19010.1 of the Business and Professions
22 Code is repealed.

23 ~~19010.1. "Custom upholsterer" means a person who, either by
24 himself or herself or through employees or agents, repairs,
25 reupholsters, re-covers, restores, or renews upholstered furniture,
26 or who makes to order and specification of the user any article of
27 upholstered furniture, using either new materials or owner's
28 materials.~~

29 SEC. 13. Section 19011 of the Business and Professions Code
30 is amended to read:

31 19011. "Manufacturer" means a person who, either by ~~himself~~
32 ~~or herself~~ *themselves* or through employees or agents, makes any
33 article of upholstered furniture or bedding in whole or in part, ~~or~~
34 ~~who does the upholstery or covering of any unit thereof,~~ using
35 either new or secondhand material. ~~"Manufacturer" does not,~~
36 ~~however, include a "custom upholsterer," as defined in Section~~

37 ~~19010.1.~~

38 SEC. 14. Section 19017 of the Business and Professions Code
39 is amended to read:

1 19017. "Owner's material" means any article or material
2 belonging to a person for ~~his or her~~ *their* own, or *their* tenant's
3 use, that is sent to any ~~manufacturer;~~ *manufacturer* or bedding
4 ~~renovator, or custom upholsterer to be repaired or renovated,~~
5 *renovator* or used in repairing or renovating.

6 SEC. 15. Section 19051 of the Business and Professions Code
7 is amended to read:

8 19051. Every upholstered-furniture retailer, unless ~~he or she~~
9 *the person* holds an importer's license, a furniture and bedding
10 manufacturer's license, a wholesale furniture and bedding dealer's
11 license, ~~a custom upholsterer's license,~~ or a retail furniture and
12 bedding dealer's ~~license~~ *license*, shall hold a retail furniture dealer's
13 license.

14 (a) This section does not apply to a person whose sole business
15 is designing and specifying for interior spaces, and who purchases
16 specific amenable upholstered furniture items on behalf of a client,
17 provided that the furniture is purchased from an appropriately
18 licensed importer, wholesaler, or retailer. This section does not
19 apply to a person who sells "used" and "antique" furniture as
20 defined in Sections 19008.1 and 19008.2.

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

25 SEC. 16. Section 19052 of the Business and Professions Code
26 is repealed.

27 ~~19052. Every custom upholsterer, unless he or she holds a~~
28 ~~furniture and bedding manufacturer's license, shall hold a custom~~
29 ~~upholsterer's license.~~

30 SEC. 17. Section 19059.5 of the Business and Professions
31 Code is amended to read:

32 19059.5. Every sanitizer shall hold a sanitizer's license unless
33 ~~he or she~~ *the person* is licensed as a home medical device retail
34 facility by the State Department of Health Services or as an
35 upholstered furniture and bedding manufacturer, retail furniture
36 and bedding dealer, ~~or retail bedding dealer, or custom upholsterer,~~
37 *dealer.*

38 SEC. 18. Section 19060.6 of the Business and Professions
39 Code is amended to read:

1 19060.6. ~~(a) Except as provided in subdivision (b), every~~ *Every*
 2 person who, on ~~his or her~~ *their* own account, advertises, ~~solicits~~
 3 ~~solicits~~, or contracts to ~~manufacture, repair or renovate~~ *manufacture*
 4 upholstered furniture or bedding, and who either does the work
 5 ~~himself or herself~~ *themselves* or has others do ~~it for him or her~~, *it*,
 6 shall obtain the particular license required by this chapter for the
 7 particular type of work that ~~he or she~~ *the person* solicits or
 8 advertises that ~~he or she~~ *the person* will do, regardless of whether
 9 ~~he or she~~ *the person* has a shop or factory.

10 ~~(b) Every person who, on his or her own account, advertises,~~
 11 ~~solicits or contracts to repair or renovate upholstered furniture and~~
 12 ~~who does not do the work himself or herself nor have employees~~
 13 ~~do it for him or her but does have the work done by a licensed~~
 14 ~~custom upholsterer need not obtain a license as a custom~~
 15 ~~upholsterer but shall obtain a license as a retail furniture dealer.~~
 16 ~~However, nothing in this section shall exempt a retail furniture~~
 17 ~~dealer from complying with Sections 19162 and 19163.~~

18 SEC. 19. Section 19170 of the Business and Professions Code
 19 is amended to read:

20 19170. (a) The fee imposed for the issuance and for the
 21 biennial renewal of each license granted under this chapter shall
 22 be set by the chief, with the approval of the director, at a sum not
 23 more nor less than that shown in the following table:

	Maximum fee	Minimum fee
27 Importer's license	\$940	\$120
28 Furniture and bedding manufacturer's 29 license	940	120
30 Wholesale furniture and bedding 31 dealer's license	675	120
32 Supply dealer's license	675	120
33 Custom upholsterer's license	450	80
34 Sanitizer's license	450	80
35 Retail furniture and bedding dealer's license	300	40
36 Retail furniture dealer's license	150	20
37 Retail bedding dealer's license	150	20

38
 39 (b) Individuals who, in their own homes and without the
 40 employment of any other person, make, sell, advertise, or contract

39 (b) Individuals who, in their own homes and without the
 40 employment of any other person, make, sell, advertise, or contract

1 to make pillows, quilts, quilted pads, or comforters are exempt
2 from the fee requirements imposed by subdivision (a). However,
3 these individuals shall comply with all other provisions of this
4 chapter.

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

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

14 (e) A person who has paid the required fee and who is licensed
15 ~~either~~ as an upholstered furniture and bedding manufacturer ~~or a~~
16 ~~custom upholsterer~~ under this chapter shall not be required to
17 additionally pay the fee for a sanitizer’s license.

18 SEC. 20. Section 110371 of the Health and Safety Code is
19 amended to read:

20 110371. (a) A professional cosmetic manufactured on or after
21 July 1, 2020, for sale in this state shall have a label affixed on the
22 container that satisfies all of the labeling requirements for any
23 other cosmetic pursuant to the Federal Food, Drug, and Cosmetic
24 Act (21 U.S.C. Sec. 301, et seq.), and the federal Fair Packaging
25 and Labeling Act (15 U.S.C. Sec. 1451, et seq.).

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

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

28 (2) “Professional” means a person that has been granted a license
29 by the State Board of Barbering and Cosmetology to practice in
30 the field of cosmetology, ~~nail care~~, barbering, or esthetics.

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

ASSEMBLY BILL No. 613

Introduced by Assembly Member Low

February 14, 2019

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

legislative counsel’s digest

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

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

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

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

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

1 SECTION 1. Section 101.1 is added to the Business and
2 Professions Code, to read:

3 101.1. (a) Notwithstanding any other law, no more than once
4 every four years, any board listed in Section 101 may increase any
5 fee authorized to be imposed by that board by an amount not to
6 exceed the increase in the California Consumer Price Index, as
7 determined pursuant to Section 2212 of the Revenue and Taxation
8 Code, for the preceding four years in accordance with the
9 following:

10 (1) The board shall provide its calculations and proposed fee,
11 rounded to the nearest whole dollar, to the director and the director
12 shall approve the fee increase unless any of the following apply:

13 (A) The board has unencumbered funds in an amount that is
14 equal to more than the board's operating budget for the next two
15 fiscal years.

16 (B) The fee would exceed the reasonable regulatory costs to the
17 board in administering the provisions for which the fee is
18 authorized.

19 (C) The director determines that the fee increase would be
20 injurious to the public health, safety, or welfare.

21 (2) The adjustment of fees and publication of the adjusted fee
22 list is not subject to the Administrative Procedure Act (Chapter
23 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
24 Title 2) of the Government Code.

25 (b) For purposes of this section, "fee" includes any fees
26 authorized to be imposed by a board for regulatory costs. "Fee"
27 does not include administrative fines, civil penalties, or criminal
28 penalties.

O

99

ASSEMBLY BILL No. 1296

Introduced by Assembly Member Gonzalez

February 22, 2019

An act to add Part 12.3 (commencing with Section 15925) to Division 3 of Title 2 of, and to repeal Section 15929 of, the Government Code, relating to underground economy.

legislative counsel’s digest

AB 1296, as introduced, Gonzalez. Tax Recovery in the Underground Economy Criminal Enforcement Program.

Existing law, until January 1, 2019, established the Revenue Recovery and Collaborative Enforcement Team as a pilot program consisting of a team of agencies charged with specified duties that included developing a plan to document, review, and evaluate data and complaints, evaluating the benefits of a processing center to receive and analyze data, share complaints, and research leads, and providing agencies with investigative leads to combat criminal tax evasion associated with the underground economy.

This bill would establish the Tax Recovery in the Underground Economy Criminal Enforcement Program in the Department of Justice to combat underground economic activities through a multiagency collaboration to, among other things, pool resources, collaborate and share data, prosecute violations, and recover state revenue lost to the underground economy, as specified. The bill would require Tax Recovery in the Underground Economy Criminal Enforcement Program teams to be located in Sacramento, Los Angeles, San Diego, the San Francisco Bay area, and Fresno. The bill would establish a Tax Recovery in the Underground Economy Criminal Enforcement Program executive

board and Tax Recovery in the Underground Economy Criminal Enforcement Program committees to ensure multiagency collaboration. The bill would require that information exchanged pursuant to these provisions retain its confidential status, as specified. The bill would require the Department of Justice, in consultation with the executive board of the program, to submit to the Legislature a report on March 31, 2020, and annually thereafter, that includes specific information relating to the program.

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

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

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

3 (1) The underground economy has significant negative effects
4 on Californians. Many workers go without basic rights and
5 protections, law-abiding businesses are put at a competitive
6 disadvantage, consumer protections are threatened, and tax
7 revenues are lost that could otherwise fund programs in education,
8 law enforcement, infrastructure, or fund tax reductions for the
9 majority of Californians who play by the rules.

10 (2) According to a 2013 report by the University of California,
11 Los Angeles (UCLA) Labor Center prepared for the State Board
12 of Equalization (now the California Department of Tax and Fee
13 Administration), the underground economy has more than doubled
14 between 1970 and 2000. The state's underground economy is
15 estimated at \$60 to \$140 billion annually. An estimated \$8.5 billion
16 in corporate, personal, and sales and use taxes go uncollected each
17 year.

18 (3) It is the intent of the Legislature in enacting this act to
19 support the goals of the Tax Recovery in the Underground
20 Economy Criminal Enforcement Program, which include all of
21 the following:

22 (A) To protect workers, law-abiding businesses, and consumers
23 by bringing justice to unscrupulous businesses operating in the
24 state's underground economy.

25 (B) To recover significant lost revenues to the state by
26 prosecuting egregious, felony-level tax and fee evasion crimes in
27 the state's underground economy.

1 (C) To facilitate information sharing among participating
2 agencies to assess leads, conduct investigations, and prosecute
3 felony-level tax and fee evasion crimes in the underground
4 economy.

5 (D) To support multiagency investigative teams in every region
6 of the state.

7 SEC. 2. Part 12.3 (commencing with Section 15925) is added
8 to Division 3 of Title 2 of the Government Code, to read:

9
10 PART 12.3. TAX RECOVERY IN THE UNDERGROUND
11 ECONOMY CRIMINAL ENFORCEMENT ACT

12
13 15925. This part shall be known, and may be cited, as the Tax
14 Recovery in the Underground Economy Criminal Enforcement
15 Act.

16 15926. (a) The Tax Recovery in the Underground Economy
17 Criminal Enforcement Program is hereby established in the
18 Department of Justice to combat underground economic activities
19 through a multiagency collaboration to do, to the extent practicable,
20 the following:

21 (1) Pool resources and leverage enforcement efforts.

22 (2) Collaborate and share data with state and federal partners.

23 (3) Efficiently prosecute violations covering jurisdictions of
24 multiple agencies to address the severity of the crimes and impose
25 appropriate penalties on convicted violators.

26 (4) Recover state revenue lost to the underground economy.

27 (b) The Tax Recovery in the Underground Economy Criminal
28 Enforcement Program shall include an executive board to ensure
29 efficient and effective multiagency collaboration in furtherance of
30 this act. The executive board shall consist of the following voting
31 members:

32 (1) A representative from the Division of Law Enforcement at
33 the Department of Justice.

34 (2) A representative from the Criminal Law Division at the
35 Department of Justice.

36 (3) A representative from the Investigations and Special
37 Operations Bureau at the California Department of Tax and Fee
38 Administration.

39 (4) A representative from the Criminal Investigation Bureau at
40 the Franchise Tax Board.

1 (5) A representative from the Investigation Division at the
2 Employment Development Department.

3 (c) The Tax Recovery in the Underground Economy Criminal
4 Enforcement Program may, as the executive board deems
5 appropriate, invite the following state agencies to join the executive
6 board in an advisory capacity:

7 (1) The California Health and Human Services Agency.

8 (2) The Department of Consumer Affairs.

9 (3) The Department of Industrial Relations.

10 (4) The Department of Insurance.

11 (5) The Department of Motor Vehicles.

12 (6) The Department of the California Highway Patrol.

13 (7) The Department of Alcoholic Beverage Control.

14 (8) The Bureau of Cannabis Control.

15 (9) The Contractors' State License Board.

16 (d) The Tax Recovery in the Underground Economy Criminal
17 Enforcement Program may, as the executive board deems
18 appropriate, invite other state and federal agencies to join the
19 executive board in an advisory capacity subject to paragraph (2)
20 of subdivision (b) of Section 15928.

21 (e) The addition of an advisory agency to the Tax Recovery in
22 the Underground Economy Criminal Enforcement Program
23 executive board shall be by written agreement between the voting
24 members of the executive board and the agency joining the
25 executive board. The written agreement shall govern the
26 participation of the agency joining the executive board. The written
27 agreement shall include provisions ensuring that confidential
28 information is shared only when necessary to assess leads, conduct
29 an investigation, or prosecute a case.

30 15927. (a) The Tax Recovery in the Underground Economy
31 Criminal Enforcement Program shall include investigative teams
32 located in Sacramento, Los Angeles, San Diego, the San Francisco
33 Bay area, and Fresno under the direct oversight of the Department
34 of Justice. The investigative teams shall include, but are not limited
35 to, duly authorized representatives of the agencies listed in
36 subdivision (b) of Section 15926. The addition of an agency to an
37 investigative team shall be by written agreement between the Tax
38 Recovery in the Underground Economy Criminal Enforcement
39 Program's executive board and the agency joining the investigative

1 team. The written agreement shall govern the participation of the
2 agency joining the investigative team.

3 (b) Each investigative team shall have a committee established
4 by the Tax Recovery in the Underground Economy Criminal
5 Enforcement Program's executive board to ensure efficient and
6 effective multi agency collaboration in each region in furtherance
7 of this act.

8 (c) The Tax Recovery in the Underground Economy Criminal
9 Enforcement Program's executive board and each investigative
10 team's committee shall meet as needed, but shall meet at least
11 quarterly, to conduct its business.

12 15928. (a) For cases that involve tax or fee administration
13 associated with underground economic activities, duly authorized
14 members of the Tax Recovery in the Underground Economy
15 Criminal Enforcement Program employed by an agency listed in
16 subdivision (b) of Section 15926 or employed by an agency that
17 joined the Tax Recovery in the Underground Economy Criminal
18 Enforcement Program pursuant to subdivision (c) of Section 15926
19 shall exchange intelligence, data, including confidential tax and
20 fee information, documents, information, complaints, or lead
21 referrals for the purposes listed in subdivision (c).

22 (b) (1) Notwithstanding subdivision (a), no person employed
23 by an agency listed in subdivision (b) or (c) of Section 15926 shall
24 disclose confidential tax or fee information to a person employed
25 by an agency invited to join the executive board pursuant to
26 subdivision (d) of Section 15926, except as set forth in paragraph
27 (2).

28 (2) For cases that involve a known or suspected felony level tax
29 or fee evasion crime, voting members and advisory members may
30 share confidential tax or fee information with other members of
31 an investigatory team of the Tax Recovery in the Underground
32 Economy Criminal Enforcement Program if all of the following
33 criteria are met:

34 (A) The confidential tax or fee information is obtained by a
35 voting member or advisory member of the Tax Recovery in the
36 Underground Economy Criminal Enforcement Program pursuant
37 to existing law, agreements authorized by existing law, or order
38 by the Governor.

39 (B) The person who receives the confidential tax or fee
40 information is a peace officer.

1 (C) The confidential tax or fee information is for one of the
2 purposes listed in subdivision (c) related to a felony level tax or
3 fee evasion crime.

4 (D) The person receiving the confidential tax or fee information
5 has a legitimate need to know to assess leads, conduct an
6 investigation, or prosecute a case.

7 (E) There is a nondisclosure agreement that prohibits the person
8 receiving the confidential tax or fee information from disclosing
9 the information to any person that is not part of the Tax Recovery
10 in the Underground Economy Criminal Enforcement Program or
11 disclosing the information to any other unauthorized person.

12 (c) The intelligence, data, including confidential tax or fee
13 information, documents, information, complaints, and lead referrals
14 exchanged pursuant to this section shall be used for the following
15 purposes:

16 (1) To assess leads or referrals in order to determine if an
17 investigation is warranted.

18 (2) To conduct investigations.

19 (3) To prosecute violations.

20 (4) To conduct data analytics.

21 (5) To enforce judgments.

22 (d) Any person who was or has been involved in the Tax
23 Recovery in the Underground Economy Criminal Enforcement
24 Program pursuant to Section 15926 or 15927 or any person who
25 has at any time obtained that knowledge from any of the foregoing
26 persons shall not divulge, or make known in any manner not
27 provided by law, any of the confidential information received by
28 or reported to the Tax Recovery in the Underground Economy
29 Criminal Enforcement Program. Confidential information
30 authorized to be exchanged pursuant to this section shall retain its
31 confidential status and shall otherwise remain subject to the
32 confidentiality provisions contained in, but not limited to, all of
33 the following provisions:

34 (1) Section 11183 as that section pertains to the Department of
35 Justice.

36 (2) Sections 1094 and 1095 of the Unemployment Insurance
37 Code as those sections pertain to the Employment Development
38 Department.

1 (3) Sections 19542, 19542.1, and 19542.3 of the Revenue and
2 Taxation Code as those Sections pertain to the Franchise Tax
3 Board.

4 (4) Section 15619 of this code, Section 42464.8 of the Public
5 Resources Code, and Sections 7056, 7056.5, 8255, 9255, 9255.1,
6 30455, 32455, 32457, 38705, 38706, 43651, 45981, 45982, 45983,
7 45984, 46751, 50159, 50160, 50161, 55381, 60608, and 60609 of
8 the Revenue and Taxation Code, as those sections pertain to the
9 California Department of Tax and Fee Administration.

10 (5) Any other information confidentiality provisions in state
11 law.

12 (6) Any information confidentiality provisions that are
13 applicable to any agency that is added to the Tax Recovery in the
14 Underground Economy Criminal Enforcement Program pursuant
15 to subdivision (c) or (d) of Section 15926.

16 (e) A member of the Tax Recovery in the Underground
17 Economy Criminal Enforcement Program shall not exchange
18 federal tax data without authorization from the Internal Revenue
19 Service.

20 (f) The Tax Recovery in the Underground Economy Criminal
21 Enforcement Program's executive board shall oversee the Tax
22 Recovery in the Underground Economy Criminal Enforcement
23 Program to ensure the protection of confidential tax and fee
24 information pursuant to this part.

25 (g) The Tax Recovery in the Underground Economy Criminal
26 Enforcement Program shall, to the extent the Legislature
27 appropriates funds for purposes of this section, develop a data
28 analytics system that enhances the efficiency and effectiveness of
29 the multi agency collaboration set forth by this act.

30 15929. (a) On or before March 31, 2020, and annually
31 thereafter, the Department of Justice, in consultation with the
32 executive board of the Tax Recovery in the Underground Economy
33 Criminal Enforcement Program, shall submit a report to the
34 Legislature that includes, but is not limited to, the following
35 information:

36 (1) The number of leads or complaints received by the Tax
37 Recovery in the Underground Economy Criminal Enforcement
38 Program during the reporting period.

39 (2) The number of cases investigated or prosecuted through
40 civil action or criminal prosecution as a result of the work of the

1 Tax Recovery in the Underground Economy Criminal Enforcement
2 Program.

3 (3) The amount and final disposition of moneys collected
4 through Tax Recovery in the Underground Economy Criminal
5 Enforcement Program's enforcement efforts.

6 (4) The status of the multiagency collaboration required by this
7 act.

8 (5) A list of the agencies that received confidential tax or fee
9 information pursuant to subdivision (b) of Section 15928.

10 (6) The number of instances, if any, of unauthorized or suspected
11 unauthorized access, use, or disclosure of confidential tax or fee
12 information. The report shall include the number of instances, if
13 any, of unauthorized or suspected unauthorized access, use, or
14 disclosure of confidential tax or fee information dating back to the
15 inception of the Tax Recovery in the Underground Economy
16 Criminal Enforcement Program and its predecessor programs.

17 (7) The status of any efforts to plan for, develop, and implement
18 a data analytics system that enhances the efficiency and
19 effectiveness of the multiagency collaboration set forth in this act.

20 (8) Policy considerations, if any, to help advance the purpose
21 of the Tax Recovery in the Underground Economy Criminal
22 Enforcement Program.

23 (b) (1) A report to be submitted pursuant to subdivision (a) shall
24 be submitted in compliance with Section 9795 of the Government
25 Code.

26 (2) Pursuant to Section 10231.5, this section is repealed on
27 January 1, 2024.

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99

ASSEMBLY BILL No. 1469

Introduced by Assembly Member Low

February 22, 2019

An act to add Section 9815 to the Business and Professions Code, relating to professions and vocations.

legislative counsel’s digest

AB 1469, as introduced, Low. Electronic and appliance repairers:
trade standards: review.

Existing law, the Electronic and Appliance Repair Dealer Registration Law, provides for the registration and regulation of service dealers and service contractors by the Bureau of Household Goods and Services within the Department of Consumer Affairs. Existing law authorizes the Director of Consumer Affairs to deny, suspend, revoke, or place on probation the registration of a service dealer for specified acts or omissions done by the service dealer or associated person, including that the service dealer or associated person willfully departed from or disregarded accepted trade standards for good and workmanlike installation or repair. Existing administrative law adopted by the bureau defines the term “accepted trade standards for good and workmanlike repair” for these purposes.

This bill would require, by July 1, 2021, the Bureau of Household Goods and Services, in consultation with stakeholders, to conduct a review of its accepted trade standards for good and workmanlike repair to determine whether additional regulations need to be adopted concerning privacy and security implications of connected devices, as defined.

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

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

1 SECTION 1. Section 9815 is added to the Business and
2 Professions Code, to read:
3 9815. Not later than July 1, 2021, the Bureau of Household
4 Goods and Services, in consultation with stakeholders, shall
5 conduct a review of its accepted trade standards for good and
6 workmanlike like repair, as defined in Section 2741 of Title 16 of
7 the California Code of Regulations, to determine whether additional
8 regulations should be adopted concerning privacy and security
9 implications of connected devices, as defined in Section 1798.91.05
10 of the Civil Code.

O

99

Introduced by Committee on Transportation (Senators Beall (Chair), Dodd, Galgiani, Grove, McGuire, Morrell, Roth, Rubio, Skinner, Stone, Umberg, and Wieckowski)

February 20, 2019

An act to amend Section 34500 of the Vehicle Code, relating to vehicles.

legislative counsel's digest

SB 358, as introduced, Committee on Transportation. Vehicles: safety regulations.

Existing law requires the Department of Motor Vehicles to regulate the safe operation of certain vehicles, including, but not limited to, motortrucks of three or more axles that are more than 10,000 pounds gross vehicle weight rating, truck tractors, and any motortruck regulated by the Department of Motor Vehicles, the Public Utilities Commission, or the United States Secretary of Transportation.

This bill would additionally require the department to regulate the safe operation of motortrucks regulated by the Bureau of Household Goods and Services.

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

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

1 SECTION 1. Section 34500 of the Vehicle Code is amended
2 to read:
3 34500. The department shall regulate the safe operation of the
4 following vehicles:

1 (a) Motortrucks of three or more axles that are more than 10,000
2 pounds gross vehicle weight rating.

3 (b) Truck tractors.

4 (c) Buses, schoolbuses, school pupil activity buses, youth buses,
5 farm labor vehicles, modified limousines, and general public
6 paratransit vehicles.

7 (d) Trailers and semitrailers designed or used for the
8 transportation of more than 10 persons, and the towing motor
9 vehicle.

10 (e) Trailers and semitrailers, pole or pipe dollies, auxiliary
11 dollies, and logging dollies used in combination with vehicles
12 listed in subdivision (a), (b), (c), (d), or (j). This subdivision does
13 not include camp trailers, trailer coaches, and utility trailers.

14 (f) A combination of a motortruck and a vehicle or vehicles set
15 forth in subdivision (e) that exceeds 40 feet in length when coupled
16 together.

17 (g) A vehicle, or a combination of vehicles, transporting
18 hazardous materials.

19 (h) Manufactured homes that, when moved upon the highway,
20 are required to be moved pursuant to a permit *permit*, as specified
21 in Section 35780 or 35790.

22 (i) A park trailer, as described in Section 18009.3 of the Health
23 and Safety Code, that, when moved upon a highway, is required
24 to be moved pursuant to a permit pursuant to Section 35780.

25 (j) Any other motortruck not specified in subdivisions (a) to

26 (h), inclusive, or subdivision (k), that is regulated by the
27 Department of Motor Vehicles, the Public Utilities Commission,
28 *the Bureau of Household Goods and Services*, or the United States
29 Secretary of Transportation.

30 (k) A commercial motor vehicle with a gross vehicle weight
31 rating of 26,001 or more pounds or a commercial motor vehicle
32 of any gross vehicle weight rating towing a vehicle described in
33 subdivision (e) with a gross vehicle weight rating of more than
34 10,000 pounds, except combinations including camp trailers, trailer
35 coaches, or utility trailers. For purposes of this subdivision, the
36 term "commercial motor vehicle" has the meaning defined in
37 subdivision (b) of Section 15210.

O

99

Introduced by Senator Monning

February 20, 2019

An act to amend Section 19283.1 of the Business and Professions Code, relating to business.

legislative counsel’s digest

SB 391, as introduced, Monning. Household Movers Act:

enforcement: special investigators and supervising special investigators.

Existing law, the Household Movers Act, provides for the regulation of household movers by the Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation in the Department of Consumer Affairs: The act authorizes a peace officer to enforce or assist in the enforcement of certain provisions of the act that are subject to criminal penalties.

This bill would also authorize a person employed as a special investigator or supervising special investigator by the bureau and designated by the Director of Consumer Affairs to issue a written notice to appear in court for those violations for which a peace officer may enforce or assist in the enforcement, in accordance with specified procedures.

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

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

- 1 SECTION 1. Section 19283.1 of the Business and Professions
- 2 Code is amended to read:
- 3 19283.1. (a) The bureau shall ensure that this chapter is
- 4 enforced and obeyed, and that violations thereof are promptly

1 prosecuted and that moneys due to the state are recovered and
2 collected.

3 (b) For purposes of this section, "peace officer" means a person
4 designated as a peace officer pursuant to Chapter 4.5 (commencing
5 with Section 830) of Title 3 of Part 2 of the Penal Code.

6 (c) A peace officer may enforce and assist in the enforcement
7 of Sections 19277 and 19278, resulting from a violation of Section
8 19236, 19237, 19244, or 19276, or more than one of those sections.
9 A peace officer may additionally enforce and assist in the
10 enforcement of Sections 19277.1 and 19279.3. In any case in which
11 an arrest authorized by this subdivision is made for an offense
12 declared to be a misdemeanor, and the person arrested does not
13 demand to be taken before a magistrate, the arresting peace officer
14 may, instead of taking the person before a magistrate, follow the
15 procedure prescribed by Chapter 5C (commencing with Section
16 853.5) of Title 3 of Part 2 of the Penal Code. The provisions of
17 that chapter shall thereafter apply with reference to any proceeding
18 based upon the issuance of a citation pursuant to this authority.

19 (d) The bureau shall coordinate enforcement of this section with
20 those peace officers likely to be involved in enforcing this section,
21 including undertaking both of the following:

22 (1) Educational outreach to promote awareness among those
23 peace officers about the requirements of Sections 19236, 19237,
24 19244, 19276, 19277, 19277.1, 19278, and 19279.3.

25 (2) Establishing lines of communication so that the bureau is
26 notified if an action is commenced to enforce the requirements of
27 those sections specified in subdivision (c), so that the bureau may
28 take appropriate action to enforce the citation and fine provisions
29 of this article.

30 (e) The Attorney General, a district attorney of the proper county
31 or city and county, or a city attorney may institute and prosecute
32 actions or proceedings for the violation of any law committed in
33 connection with, or arising from, a transaction involving the
34 transportation of household goods and personal effects.

35 (f) *Notwithstanding any other law, a person employed as a*
36 *special investigator or supervising special investigator by the*
37 *bureau and designated by the director shall have the authority to*
38 *issue a written notice to appear in court pursuant to Chapter 5C*
39 *(commencing with Section 853.5) of Title 3 of Part 2 of the Penal*
40 *Code for a violation of a provision for which a peace officer may*

1 *enforce or assist in the enforcement pursuant to subdivision (c).*
2 *An employee so designated is not a peace officer, is not entitled*
3 *to safety member retirement benefits as a result of the designation,*
4 *and does not have the power of arrest.*

S. 3551

To adopt a certain California flammability standard as a Federal flammability standard to protect against the risk of upholstered furniture flammability, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2018

Mr. Wicker (for himself and Mr. BLUMENTHAL) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To adopt a certain California flammability standard as a Federal flammability standard to protect against the risk of upholstered furniture flammability, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safer Occupancy Fur-
5 niture Flammability Act” or “SOFFA”.

6 **SEC. 2. ADOPTION OF CALIFORNIA FLAMMABILITY STAN-**
7 **DARD AS A FEDERAL STANDARD.**

8 (a) DEFINITIONS.—In this section—

1 (1) the term “bedding product” means—

2 (A) an item that is used for sleeping or
3 sleep-related purposes; or

4 (B) any component or accessory with re-
5 spect to an item described in subparagraph (A),
6 without regard to whether the component or ac-
7 cessory, as applicable, is used—

8 (i) alone; or

9 (ii) along with, or contained within,

10 that item;

11 (2) the term “California standard” means the
12 standard set forth by the Bureau of Electronic and
13 Appliance Repair, Home Furnishings and Thermal
14 Insulation of the Department of Consumer Affairs of
15 the State of California in Technical Bulletin 117–
16 2013, entitled “Requirements, Test Procedure and
17 Apparatus for Testing the Smolder Resistance of
18 Materials Used in Upholstered Furniture”, originally
19 published June 2013, as in effect on the date of en-
20 actment of this Act;

21 (3) the terms “foundation” and “mattress”
22 have the meanings given those terms in section
23 1633.2 of title 16, Code of Federal Regulations, as
24 in effect on the date of enactment of this Act; and

25 (4) the term “upholstered furniture”—

- 1 (A) means an article of seating furniture
2 that—
- 3 (i) is intended for indoor use;
4 (ii) is movable or stationary;
5 (iii) is constructed with a contiguous
6 upholstered—
- 7 (I) seat; and
8 (II) (aa) back; or
9 (bb) arm;
- 10 (iv) is—
- 11 (I) made or sold with a cushion
12 or pillow, without regard to whether
13 that cushion or pillow, as applicable,
14 is attached or detached with respect
15 to the article of furniture; or
- 16 (II) stuffed or filled, or able to be
17 stuffed or filled, in whole or in part,
18 with any material, including a sub-
19 stance or material that is hidden or
20 concealed by fabric or another cov-
21 ering, including a cushion or pillow
22 belonging to, or forming a part of, the
23 article of furniture; and
- 24 (v) together with the structural units
25 of the article of furniture, any filling mate-

1 rial, and the container and covering with
 2 respect to those structural units and that
 3 filling material, can be used as a support
 4 for the body of an individual, or the limbs
 5 and feet of an individual, when the indivi-
 6 dual sits in an upright or reclining posi-
 7 tion;

8 (B) includes an article of furniture that is
 9 intended for use by a child; and

10 (C) does not include—

11 (i) a mattress;

12 (ii) a foundation;

13 (iii) any bedding product; or

14 (iv) furniture that is used exclusively

15 for the purpose of physical fitness and ex-
 16 ercise.

17 (b) ADOPTION OF STANDARD.—

18 (1) IN GENERAL.—Beginning on the date that
 19 is 180 days after the date of enactment of this Act,
 20 and except as provided in paragraph (2), the Cali-
 21 fornia standard shall be considered to be a flamma-
 22 bility standard promulgated by the Consumer Prod-
 23 uct Safety Commission under section 4 of the Flam-
 24 mable Fabrics Act (15 U.S.C. 1193).

1 (2) TESTING AND CERTIFICATION.—A fabric,
2 related material, or product to which the California
3 standard applies as a result of paragraph (1) shall
4 not be subject to section 14(a) of the Consumer
5 Product Safety Act (15 U.S.C. 2063(a)).

6 (c) PREEMPTION.—

7 (1) IN GENERAL.—Notwithstanding section
16
8 of the Flammable Fabrics Act (15 U.S.C. 1203) and
9 section 231 of the Consumer Product Safety Im-
10 provement Act of 2008 (15 U.S.C. 2051 note), and
11 except as provided in subparagraphs (B) and (C) of
12 paragraph (2), no State or any political subdivision
13 of a State may establish or continue in effect any
14 provision of a flammability law, regulation, code,
15 standard, or requirement that is designed to protect
16 against the risk of occurrence of fire, or to slow or
17 prevent the spread of fire, with respect to uphol-
18 stered furniture.

19 (2) PRESERVATION OF CERTAIN STATE LAW.—
20 Nothing in this Act or the Flammable Fabrics Act
21 (15 U.S.C. 1191 et seq.) may be construed to pre-
22 empt or otherwise affect—

23 (A) any State or local law, regulation,
24 code, standard, or requirement that—

- 1 (i) concerns health risks associated
- 2 with upholstered furniture; and
- 3 (ii) is not designed to protect against
- 4 the risk of occurrence of fire, or to slow or
- 5 prevent the spread of fire, with respect to
- 6 upholstered furniture;
- 7 (B) sections 1374 through 1374.3 of title
- 8 4, California Code of Regulations (except for
- 9 subsections (b) and (c) of section 1374 of that
- 10 title), as in effect on the date of enactment of
- 11 this Act; or
- 12 (C) the California standard.