

**JUNE 14, 2023**  
**SACRAMENTO, CALIFORNIA**

Bureau of Household Goods and Services

Advisory Council Meeting







**BUREAU OF HOUSEHOLD GOOD AND SERVICES  
ADVISORY COUNCIL MEETING  
NOTICE and AGENDA**

**IN-PERSON AND TELECONFERENCE MEETING**

**Wednesday, June 14, 2023, 10:00 am  
Until the Completion of Business**

**Meeting Location**

Department of Consumer Affairs—HQ 1 Hearing Room  
1625 North Market Blvd.  
Sacramento, CA 95834

**Important Notices to the Public: The Bureau of Household Goods and Services (Bureau) will hold a public meeting both in-person and via a teleconference platform.**

Note: The Bureau will endeavor to provide a reliable means for members of the public to participate remotely; however, in the unlikely event that the remote means fails, the meeting may continue in person. For this reason, members of the public are advised to consider attending the meeting in person in order to ensure their participation during the meeting.

**To participate via WebEx, please log on to this website the day of the meeting:**

<https://dca-meetings.webex.com/dca-meetings/j.php?MTID=me06f6b5604821383cc4d86c9478a8907>

Event Number: 2494 352 1846  
Event Password: BHGS06142023

**INSTRUCTIONS FOR PARTICIPATION: Please see the instructions attached here to observe and participate in the meeting using WebEx from a Microsoft Windows-based PC.**

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier, such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to

provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

Public comments will be limited to three minutes unless, at the discretion of the Bureau Chief, circumstances require a shorter period. Members of the public will not be permitted to “yield” their allotted time to other members of the public to make comments.

As an alternative, members of the public who wish to observe the meeting without making public comment can do so (provided there are no unforeseen technical difficulties) at <https://thedcapage.wordpress.com/webcasts/>.

### **Teleconference/Audio Conference Option:**

US Toll +1-415-655-0001 US Toll  
Access code: 249 435 21846  
Passcode: 24470614

### **Advisory Council Members:**

Pascal Benyamini, Industry  
Burt Grimes, Industry  
Tom Keepers, Industry  
Donald Lucas, Public  
Sara Oakley, Industry  
Dan Rhodes, Industry  
Toby Taylor, Industry  
Steve Weitekamp, Industry

Agenda items may be taken out of order. Times stated are approximate and subject to change. Agenda order is tentative and subject to change at the discretion of the Advisory Council.

In accordance with the Bagley-Keene Open Meeting Act, all meetings are open to the public. Pursuant to Government Code section 11125.7, the Advisory Council provides the opportunity for the public to address each agenda item during discussion or consideration by the Advisory Council. Total time allocated for public comment on particular issues may be limited. Individuals may appear to discuss items not on the agenda; however, the Advisory Council may not discuss any matter not included in this agenda (Government Code sections 11125, 11125.7(a)).

The Bureau plans to webcast this meeting at <https://thedcapage.blog/webcasts/>. Webcast availability, however, cannot be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available.

The meeting is accessible to the disabled. A person who needs disability-related accommodations or modifications to participate in the meeting may make a request by contacting Kelli Williams via email at [kelli.williams@dca.ca.gov](mailto:kelli.williams@dca.ca.gov), by sending a written request to the address indicated above, or at TDD (800) 326-2297 for the hearing impaired. Please provide at least five working days' notice before the meeting to help ensure accommodations.

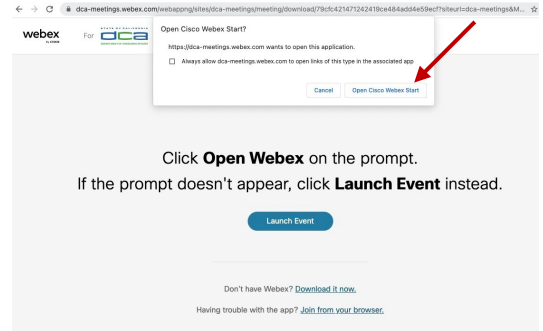
## AGENDA

1. Bureau Chief Introduction, Call to Order, and Roll Call
2. Public Comment for Items Not on the Agenda  
*Please note that the Advisory Council may not discuss any matter raised during this public comment section that is not included on this agenda (Government Code sections 11125, 11125.7(a)).*
3. Update from Melissa Gear, Deputy Director of Board and Bureau Relations, Department of Consumer Affairs
4. Review January 18, 2023, Advisory Council Meeting Minutes
5. Business Modernization Update
6. Division Updates and Statistical Overviews
  - a. Fiscal
  - b. Administrative
    - i. Update on Strategic Plan Objectives 5.1 - 5.5
  - c. Licensing
    - i. Update on Strategic Plan Objectives 1.1 - 1.4
  - d. Laboratory
  - e. Enforcement
    - i. Update on Strategic Plan Objectives 2.1 - 2.5
    - ii. Report on Bureau household mover sting operations
7. Legislative and Policy Updates
  - a. Update on Bureau's Sunset Review & SB 814 (Roth, 2023)
  - b. CPS Fee Study
  - c. Household Movers Enforcement Regulation Update
  - d. Household Movers Licensing Regulation Update
  - e. Upholstered Furniture and Bedding Law Label Regulatory Proposal
  - f. AB 1059 (Friedman, 2023) – Product Safety: Consumer Products: Fiberglass
  - g. SB 244 (Eggman) – Right to Repair Act
  - h. SB 271 (Dodd) – Powered Wheelchairs: Right to Repair
  - i. Update on Strategic Plan Objectives 4.1 - 4.5

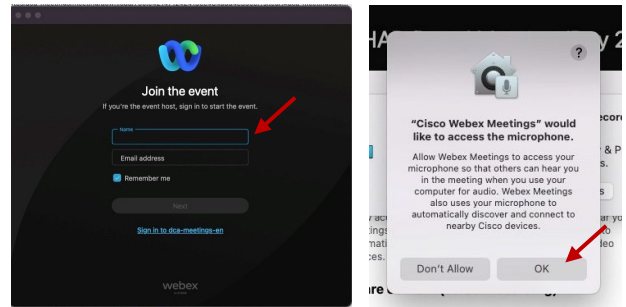
8. Communications and Education Update
9. Confirm Future Meeting Date of October 12, 2023
10. Future Agenda Items
11. Adjournment

## If joining using the meeting link

- 1 Click on the meeting link. This can be found in the meeting notice you received.
- 2 If you have not previously used Webex on your device, your web browser may ask if you want to open Webex. Click "Open Cisco Webex Start" or "Open Webex", whichever option is presented. DO NOT click "Join from your browser", as you will not be able to participate during the meeting.



- 3 Enter your name and email address\*. Click "Join as a guest". Accept any request for permission to use your microphone and/or camera.

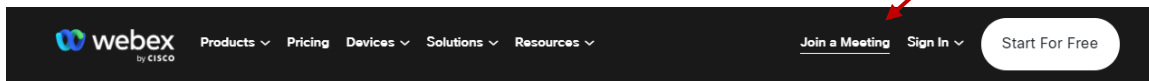


\* Members of the public are not obligated to provide their name or personal information and may provide a unique identifier such as their initials or another alternative, and a fictitious email address like in the following sample format: XXXXX@mailinator.com.

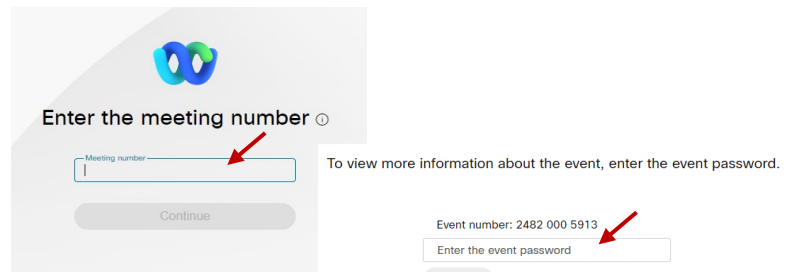
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## If joining from Webex.com

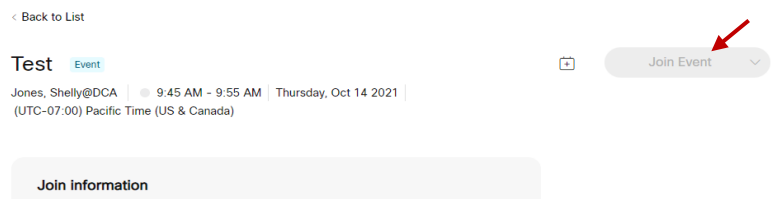
- 1 Click on "Join a Meeting" at the top of the Webex window.



- 2 Enter the meeting/event number and click "Continue". Enter the event password and click "OK". This can be found in the meeting notice you received.



- 3 The meeting information will be displayed. Click "Join Event".



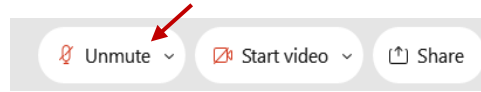
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## Connect via telephone\*:

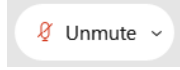
You may also join the meeting by calling in using the phone number, access code, and passcode provided in the meeting notice.

### Microphone

Microphone control (mute/unmute button) is located on the command row.

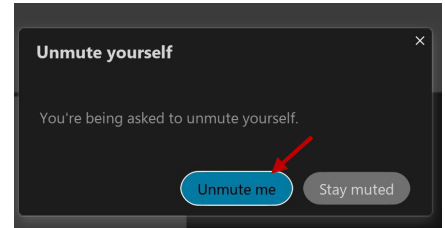


Green microphone = Unmuted: People in the meeting can hear you.



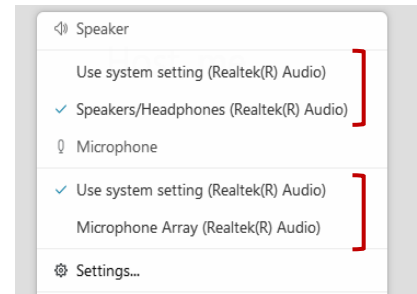
Red microphone = Muted: No one in the meeting can hear you.

*Note: Only panelists can mute/unmute their own microphones. Attendees will remain muted unless the moderator enables their microphone at which time the attendee will be provided the ability to unmute their microphone by clicking on "Unmute Me".*



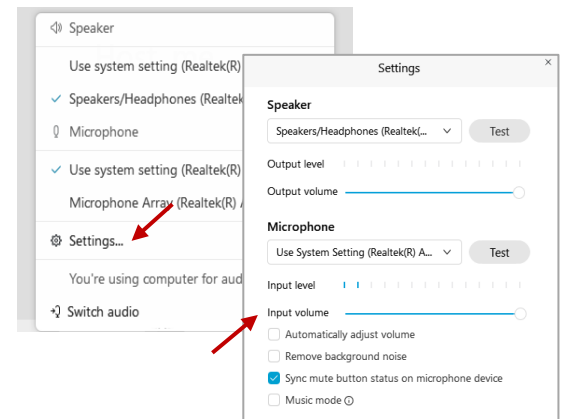
### If you cannot hear or be heard

- 1 Click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window, select a different:
  - Microphone option if participants can't hear you.
  - Speaker option if you can't hear participants.



### If your microphone volume is too low or too high

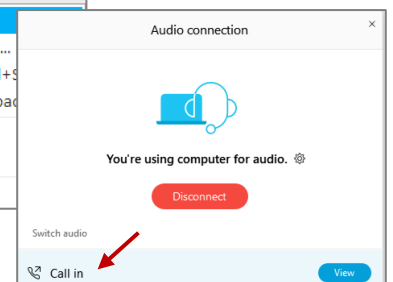
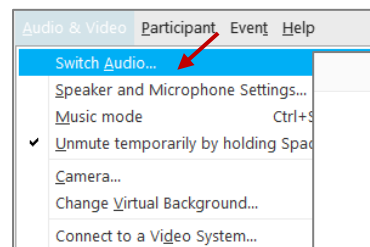
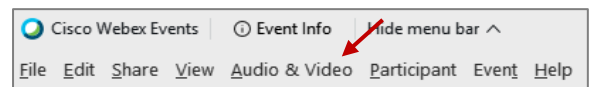
- 1 Locate the command row – click on the bottom facing arrow located on the Mute/Unmute button.
- 2 From the pop-up window:
  - Click on "Settings...":
  - Drag the "Input Volume" located under microphone settings to adjust your volume.



### Audio Connectivity Issues

If you are connected by computer or tablet and you have audio issues or no microphone/speakers, you can link your phone through Webex. Your phone will then become your audio source during the meeting.

- 1 Click on "Audio & Video" from the menu bar.
- 2 Select "Switch Audio" from the drop-down menu.
- 3 Select the "Call In" option and following the directions.





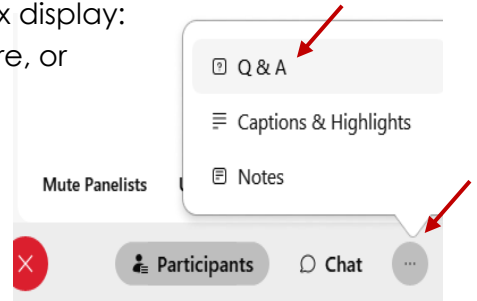
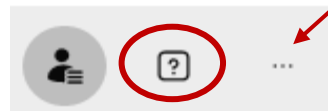
The question-and-answer (Q&A) and hand raise features are utilized for public comments.

*NOTE: This feature is not accessible to those joining the meeting via telephone.*

### Q&A Feature

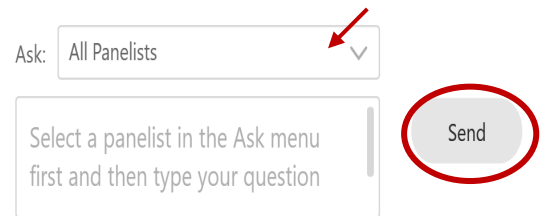
1 Access the Q&A panel at the bottom right of the Webex display:

- Click on the icon that looks like a “?” inside of a square, or
- Click on the 3 dots and select “Q&A”.



2 In the text box:

- Select “All Panelists” in the dropdown menu,
- Type your question/comment into the text box, and
- Click “Send”.



OR

### Hand Raise Feature

- 1
- Hovering over your own name.
  - Clicking the hand icon that appears next to your name.
  - Repeat this process to lower your hand.

If connected via telephone:

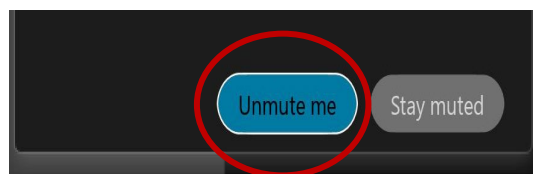
- Utilize the raise hand feature by pressing \*3 to raise your hand.
- Repeat this process to lower your hand.

### Unmuting Your Microphone



The moderator will call you by name and indicate a request has been sent to unmute your microphone. Upon hearing this prompt:

- Click the **Unmute me** button on the pop-up box that appears.

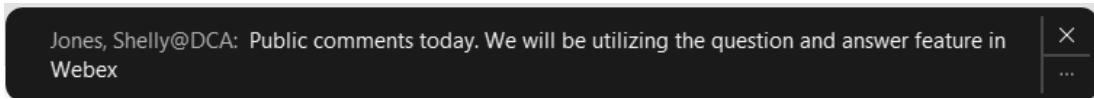


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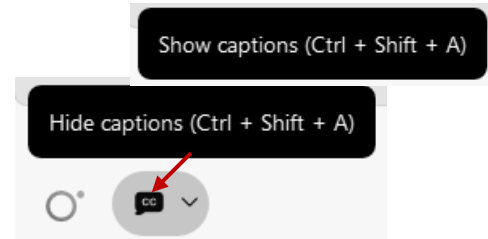
If connected via telephone:

- Press \*3 to unmute your microphone.

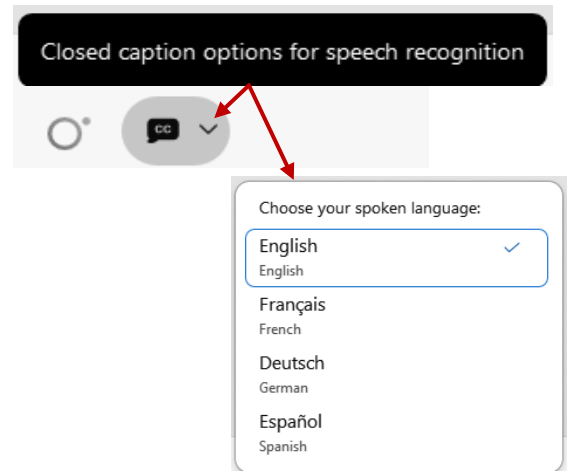
Webex provides real-time closed captioning displayed in a dialog box on your screen. The captioning box can be moved by clicking on the box and dragging it to another location on your screen.



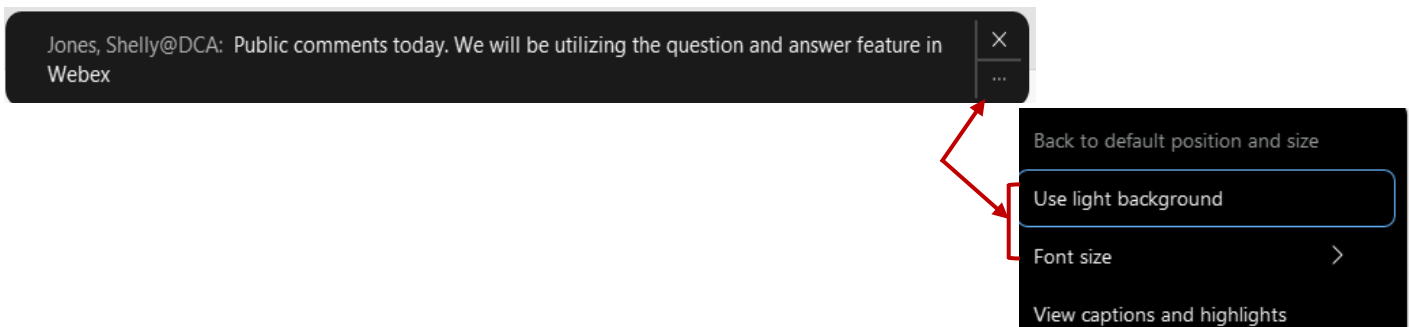
The closed captioning can be hidden from view by clicking on the closed captioning icon. You can repeat this action to unhide the dialog box.



You can select the language to be displayed by clicking the drop-down arrow next to the closed captioning icon.



You can view the closed captioning dialog box with a light or dark background or change the font size by clicking the 3 dots on the right side of the dialog box.



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## AGENDA ITEM 4

Review January 18, 2023  
Advisory Council Meeting Minutes

**Bureau of Household Goods and Services (Bureau or BHGS)  
Advisory Council Meeting Minutes  
In-person and Teleconference Meeting  
January 18, 2023**

Meeting Location:  
Department of Consumer Affairs – HQ 1 Hearing Room  
1625 North Market Blvd, Room 102  
Sacramento, CA 95834

**Attendees:**

Advisory Council Members: Pascal Benyamini, Industry  
Burt Grimes, Industry  
Tom Keepers Industry  
Donald Lucas, Public  
Dan Rhodes, Industry  
Toby Taylor, Industry  
Steve Weitekamp, Industry

Bureau Staff: Justin Paddock, Bureau Chief  
Nichole Bowles, Supervising Special Investigator  
Jacqueline Castro, Licensing Manager  
Diana Godines, Policy Manager  
Yeaphana La Marr, Policy Manager  
Kelli Williams, Administrative Manager

Others: Melissa Gear, DCA Board and Bureau Relations  
Michael Kanotz, DCA Division of Legal Affairs  
Lisa Rangel, DCA Information Services  
Tuin Gorma, Director of Technology, InLumon  
Ann Fisher, DCA SOLID Planning Solutions  
Heather Sand, DCA Budget Office

**1. Welcome, Introductions, and Roll Call**

Bureau Chief Justin Paddock began the meeting and took roll. Council Member Sara Oakley was absent.

No comments from Council Members or the public.

## 2. Public Comment on Items Not on the Agenda

There were none.

## 3. Update from Melissa Gear, Department of Consumer Affairs Board and Bureau Relations

Melissa Gear, Deputy Director of Board and Bureau Relations, provided an update on DCA. Ms. Gear mentioned recent Governor appointments to DCA executive positions. Ms. Gear, herself, was appointed in October 2022 and her Deputy, Yvonne Dorantes and Kathleen Nichols, Chief of DCA's Division of Investigation, also recently joined the executive team.

Ms. Gear noted that DCA has recently convened its Diversity, Equity, and Inclusion Steering Committee, which held its first meeting and has scheduled its second meeting.

DCA also finalized its current strategic plan and introduced a new department logo. Ms. Gear also provided several updates related to travel and training

Councilmember Comment: Mr. Weitekamp asked if other bureaus, like BHGS, regulate three disparate industries. Chief Paddock responded that there is not a corollary to BHGS within DCA and Ms. La Marr added that while the Bureau of Security and Investigative Services administers six practice acts, they are all related. Mr. Weitekamp also asked if any other boards or bureaus have multiple funds. Chief Paddock answered that there are, but that many have consolidated funds over the years.

## 4. Business Modernization Update

Lisa Rangel, Project Director for the business modernization cohort project, provided a brief overview of the effort to transition to a new IT system, including online applications. Mr. Gorma demonstrated the process to register and apply for a household mover permit online using the new system and reviewed the internal process related to fee deficiencies.

Councilmember Comment: Councilmember Weitekamp asked how the payment process will work. Mr. Gorma replied that the user will follow the prompts and will not need to switch to a new webpage to make payments.

Councilmember Benyamini asked who will absorb the cost of credit card fees. Ms. Rangel responded that BHGS will absorb those costs.

Councilmember Grimes asked when this will be available for EAR and HFTI. Chief Paddock noted that HHM is first because they are leaving the PUC system. Ms. Rangel added that the initial rollout is expected in early spring and the next release for the Bureau will be four-to-five months after that.

Mr. Grimes also asked if BHGS will have e-mail addresses with which to update licensees about process changes. Chief Paddock said they would, but that for general announcements consumers will need to subscribe.

Mr. Lucas asked if any real-time help will be available for users. Ms. Rangel and Chief Paddock noted that BHGS staff can be contacted Monday-Friday 8:00am - 5:00pm.

Mr. Weitekamp expressed his support for the online application and his hope that when the quarterly fees process moves onto the new system it will be easy to use. He also reminded Bureau staff that licensees are regularly solicited by outside parties and stressed the importance of communicating to licensees that they will never be asked to go to a separate website to make a payment.

Mr. Keepers asked about the various payment options. Ms. Rangel replied that fees can be paid by check, money order, and credit card.

Mr. Gorma then reviewed how staff will interact with the new application process and review and communicate with applicants.

Councilmember Comment: Councilmember Keepers asked for a timeframe for this project. Ms. Rangel said that the household movers application will be ready in Spring 2023, and Chief Paddock added that HHM quarterly reports will follow and that, while the calendar is not yet built out beyond that, adding EAR and HFTI should be less complex since the IT team is very familiar with the current system for those two programs.

Mr. Weitekamp asked why there were delays in launching the application. Ms. Rangel responded that critical functionality needed to be implemented and built out, which took longer than expected.

Public Comment: Michelle Jack asked if certificates will be sent out electronically or via mail with the new system. Ms. Rangel answered that the system can send certificates electronically, but that that feature will not be available until roughly four-to-five months after the system launches.

Councilmember Comment: Mr. Weitekamp said he hopes that the external facing pages of the applications would use CAL-T instead of MTR because it leads to confusion in communications with the state. Ms. Rangel replied that the team is working to have a license pre-fix of CAL-T. Chief Paddock added that the formal terms used for an application and a permit will be "application number" and "CAL-T number." respectively.

## **5. Review October 13, 2022, Advisory Council Meeting Minutes**

There were no Councilmember or public comments about the October 13, 2022, Advisory Council meeting minutes.

## **6. Divisional Updates and Statistical Overviews**

### **a. Fiscal**

Heather Sand, DCA Budget Office, presented the fiscal update. Ms. Sand reported a fund reserve for EAR of 13.7 months at the close of fiscal year 2021-22. The Bureau projects to have 8.6 months in reserve for EAR for the current fiscal year.

For HFTI, Ms. Sand reported a projection of 12.7 months in reserve for the current fiscal year. For HHM, Ms. Sand reported a current fiscal year projection of 29.0 months in reserve.

Councilmember Comment: Mr. Weitekamp asked for clarification about where statistics on citations assessed would appear on the fund report. Chief Paddock responded that it would be citations collected, not assessed. He added that moving forward there will be a citations collected section in the budget material.

Mr. Grimes asked about the forecast decline in total revenue for thermal insulation and why expenses increased by 12 percent. Chief Paddock said that current projections are always conservative and that the increased expenses resulted from budget reversion. Mr. Paddock also stated that when the Bureau receives the actuals for revenue, he will report them to Mr. Grimes and review any reversions.

**b. Administrative**

Administration Manager Kelli Williams presented an update on strategic plan objectives 5.1 - 5.5 and personnel. Ms. Williams began by noting that the Bureau's effective vacancy rate is 30 percent, she discussed vacancies in each unit, and provided an update on when those positions would be filled.

Councilmember Comment: Mr. Benyamini stated that more flexibility around work location would increase the number of applicants. Mr. Keepers echoed these comments, stating that Chief Paddock was on the right path.

Mr. Lucas asked if the Bureau's vacancy rate is comparable to other Bureaus in DCA. Chief Paddock responded that he would inquire, since he did not know the specific vacancy rate at other DCA entities.

Chief Paddock explained that the Bureau is working on a reorganization plan that would move the Compliance Unit under Enforcement and have the Lab manager report to the to the Deputy Chief.

Councilmember Comment: Mr. Keepers commented that a chart that showed which positions were filled and which the Bureau's chose not to fill would be helpful. Mr. Rhodes agreed, and also noted that he was pleased with how many people have been hired.

Ms. Williams stated that filling vacant positions will remain a top priority for the Administration unit.

**c. Licensing**

Licensing Manager Jacqueline Castro provided a statistical update on licensing for the prior three months. Ms. Castro noted that, as requested, she made a distinction between active household mover permits and the number of quarterly reports received.



Ms. Castro also provide updates on Licensing strategic plan objectives and thanked Special Investigators Dale Chasse and Theresa Baeza for their efforts in making direct contact with businesses during field visits.

Chief Paddock noted that Ms. Castro's unit has the lowest vacancy rate at the bureau.

**d. Laboratory**

Environmental Scientist Jacob Egger provided an update on laboratory statistics and vacancies. He also reported that the thermal insulation program underwent accreditation with the National Voluntary Laboratory Accreditation Program in September 2022, and that in April 2023, the home furnishing and bedding program will undergo accreditation with the International Accreditation Service.

Mr. Egger informed the Council that the Thermal Insulation directory will be posted on the Bureau's website at the end of January, that a document about law labels and common filling materials was posted in November 2022, and that the lab intends to post an overview of finish sizes on bedding products by the end of 2023.

He also noted that lab staff will attend the International Association of Bedding and Furniture Labeling Officials (IABFLO) conference in Portland, Maine in late April 2023.

Councilmember Comment: Mr. Grimes asked for clarification about what tests are sent to the Department of Toxic Substances Control. Mr. Egger responded that flame-retardant chemical testing is sent to DTSC and chemical analysis of filling material is conducted in-house.

Mr. Egger presented the Lab statistics and explained that the significant increase in bedding failures resulted from a change in how the lab reports bedding failures to the Council.

Councilmember Comment: Mr. Keepers asked about the decrease in the number of label failures and if that indicated manufacturers were complying with the law or that the Bureau was collecting fewer samples. Mr. Egger responded that the lower numbers resulted from broken equipment, which has been repaired, and staffing shortages in the Lab.

Mr. Benyamini asked if the violations for products manufactured outside the U.S. are strictly importers or if they had a presence in the country. Mr. Egger responded that the chart only includes the location of manufacturers, not

importers. Chief Paddock added that, generally, the Bureau visits retailers, rather than importers.

Mr. Lucas asked for an update on the new labeling and the Bureau's interaction with the Consumer Product Safety Commission. Chief Paddock responded that the Bureau has submitted a regulatory proposal to change the labeling requirements to DCA, and thanked Mr. Benyamini and Mr. Grimes for their help with the regulatory package.

Chief Paddock explained that the Lab has created a document that will allow Bureau staff to access sampling records from anywhere with an Internet connection to ensure that furniture is pulled from an appropriately random sample of businesses.

**e. Enforcement**

Compliance Unit Manager Shelby Nordman presented the Enforcement update and provided a statistical overview. Ms. Nordman also announced that all Enforcement staff will attend a training on licensing, enforcement, and policy topics in Sacramento in January 2023. She also reviewed information on hold hostage cases.

Councilmember Comment: Mr. Weitekamp expressed concern about the appearance in the statistics of a lack of investigations. Ms. Nordman responded that because of staff shortages, cases are not being investigated in the Compliance Unit but, rather, being transferred directly to the Investigation Centers for immediate field investigation. As a consequence, these statistics appear in the "Field Unit Investigations Conducted." Once the Compliance Unit is fully staff, they will resume desk investigations for household movers, which will be reflected in future statistical reporting.

Mr. Weitekamp also expressed concern that it did not appear as if the number of field investigations had increased. Chief Paddock responded that staff will present a more detailed report at the next Council meeting.

Lastly, Ms. Nordman presented information on proactive enforcement operations, including undercover stings.

Councilmember Comment: Mr. Weitekamp asked for a written update about proactive enforcement and Mr. Paddock explained it will be included as a new statistical category in future meeting packet material.

## 7. Legislative and Policy Updates

### a. Household Movers Enforcement Regulation Update

Policy Manager Yeaphana La Marr discussed several documents the Bureau recently published: an industry advisory on AB 2956 indicating the Bureau now regulates household movers, an updated Max 4 Tariff effective January 1, 2023, and a new EAR lawbook.

Ms. La Marr provided an update on the HHM enforcement regulation and noted that DCA was close to finishing its review and that the Bureau hopes to notice the regulation this coming spring.

### b. Household Movers Licensing Regulation Update

Ms. La Marr provided an update on a Southern California workshop focused on the household movers licensing regulation, with significant industry participation. She stated that the Bureau would begin the rulemaking process for HHM licensing after new HHM enforcement regulations are adopted and after the disciplinary guidelines for all three practice acts are updated. She noted that the disciplinary guidelines are included in the Sunset Review report and that they remain an issue of interest for the Legislature.

### c. Update on Bureau's Sunset Report

Ms. La Marr stated the Bureau submitted its Sunset Review report in December 2022, and distributed copies to Advisory Council members the same day. Ms. La Marr announced that Chief Paddock will testify before the joint legislative committee in March, though the specific date had not yet been determined.

Ms. La Marr then summarized several new policy issues in the Sunset Report.

Councilmember Comment: Mr. Weitekamp commented that he would need additional information about fund consolidation before he would feel comfortable supporting such a change. He proposed a separate meeting where Advisory Council members and budget staff could review the benefits of fund consolidation and any potential issues. Chief Paddock said he would explore this idea.

Ms. La Marr discussed the following additional proposals in detail:

- Home furnishings statewide withhold from sale
- Registering out-of-state moving companies

Councilmember Comment: Mr. Weitekamp asked if this was only applicable to interstate transportation and, if so, would the Bureau then rely on FMCSA licensure. Ms. La Marr confirmed that it would apply to interstate transportation and that movers would have to submit to the Bureau evidence of their permit and insurance from their home state, along with any other information required from a permitted California mover, except for a residency requirement. Mr. Weitekamp stated he

would support this proposal with the caveat that it would not result in reciprocity with other states.

- Licensing HHM limited liability companies

Councilmember Comment: Mr. Weitekamp expressed support for this proposal.

- Authority to auto-suspend household mover permits for a lapse in insurance

Councilmember Comment: Mr. Weitekamp stated that if the protocol mirrors that of CSLB, he would support the proposal.

- Remove household mover financial requirements for licensure

Councilmember Comment: Mr. Weitekamp expressed his support for this change.

- Standardize EAR and HFTI license expiration
- Flame retardant chemical document requirements

Councilmember Comment: Mr. Grimes asked how the Bureau could update the materials list in the furniture law label, since it has not been updated since the 1970s. Chief Paddock answered that HFTI staff have already added them to the proposed regulations.

**d. CPS Fee Study**

Chief Paddock stated that the fee study report is being finalized and will be sent to the Legislature.

Councilmember Comment: Mr. Benyamini thanked Ms. La Marr for her service.

**e. Upholstered Furniture and Bedding Law Label Regulatory Proposal**

Policy Manager Diana Godines reported that the proposed text for the upholstered furniture and bedding law label regulatory proposal is moving forward for legal review and the rulemaking process.

**f. Update on Strategic Plan Objectives 4.1-4.5**

Ms. La Marr reviewed strategic plan objectives 4.1-4.5.

## 8. California Highway Patrol

Chief Paddock reported that Bureau staff recently met with representatives from the California Highway Patrol to discuss the possibility of conducting household mover compliance inspections at weigh stations, rather than through undercover sting operations.

## 9. Staff Recognition

Chief Paddock complimented Ms. La Marr for being a phenomenal public servant and thanked her on behalf of the Bureau, stating that they owe her a huge debt.

Councilmember Comment: Mr. Grimes expressed sorrow over losing such a dedicated staff member and wished Ms. La Marr luck in her new position.

Mr. Taylor thanked Ms. La Marr.

Mr. Keepers stated that Ms. La Marr will be hugely missed and wished her luck in the future.

Mr. Weitekamp complimented Ms. La Marr for her knowledge and work ethic and acknowledged her role in transitioning the household movers program to the Bureau. He wished her nothing but the best.

Mr. Rhodes thanked Ms. La Marr for her service.

Mr. Lucas also thanked Ms. La Marr for her service

Ms. La Marr thanked everyone for working with her and making her job easier.

## 10. Confirm Future Meeting Date of June 14, 2023 and October 12, 2023

Chief Paddock confirmed hybrid Advisory Council meetings on June 14, 2023 and October 12, 2023.

## 11. Future Agenda Items

Councilmember Comment: Mr. Taylor offered to provide a high-level review of ignition interlock devices.

Councilmember Comment: Mr. Grimes asked about exploring an outreach program. Chief Paddock answered he'd be happy to do that in June.

## 12. Adjournment

Ms. La Marr adjourned the meeting.

## AGENDA ITEM 6

### Division Updates and Statistical Overviews

- a. Fiscal
- b. Administrative
- c. Licensing
- d. Laboratory
- e. Enforcement

## AGENDA ITEM 6-a

Fiscal

**0325 - Bureau of Electronic Appliance Repair Fund Analysis of Fund Condition**  
**(Dollars in Thousands)**

Prepared 5.12.23

2023-24 Governor's Budget with FM9 projections

	<b>ACTUAL 2021-22</b>	<b>CY 2022-23</b>	<b>BY 2023-24</b>	<b>BY +1 2024-25</b>	<b>BY +2 2025-26</b>
<b>BEGINNING BALANCE</b>	\$ 3,773	\$ 3,652	\$ 3,012	\$ 1,418	\$ -314
Prior Year Adjustment	\$ 175	\$ 0	\$ 0	\$ 0	\$ 0
Adjusted Beginning Balance	\$ 3,948	\$ 3,652	\$ 3,012	\$ 1,418	\$ -314
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>					
Revenues					
4121200 - Delinquent fees	\$ 109	\$ 112	\$ 99	\$ 99	\$ 99
4127400 - Renewal fees	\$ 2,079	\$ 1,985	\$ 2,213	\$ 2,213	\$ 2,213
4129200 - Other regulatory fees	\$ 11	\$ 9	\$ 11	\$ 11	\$ 11
4129400 - Other regulatory licenses and permits	\$ 416	\$ 346	\$ 300	\$ 300	\$ 300
4163000 - Income from surplus money investments	\$ 15	\$ 42	\$ 21	\$ 0	\$ 0
4171400 - Escheat of unclaimed checks and warrants	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4
Totals, Revenues	\$ 2,634	\$ 2,498	\$ 2,648	\$ 2,627	\$ 2,627
Operating Transfers To General Fund 0001 per EO E 21/22-276 Revised (AB 84)	\$ -133	\$ 0	\$ 0	\$ 0	\$ 0
Totals, Transfers and Other Adjustments	\$ -133	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>	\$ 2,501	\$ 2,498	\$ 2,648	\$ 2,627	\$ 2,627
<b>TOTAL RESOURCES</b>	\$ 6,449	\$ 6,150	\$ 5,660	\$ 4,045	\$ 2,313
Expenditures:					
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 2,564	\$ 2,903	\$ 3,884	\$ 4,001	\$ 4,121
9892 Supplemental Pension Payments (State Operations)	\$ 46	\$ 46	\$ 46	\$ 46	\$ 0
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 187	\$ 189	\$ 312	\$ 312	\$ 312
<b>TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>	\$ 2,797	\$ 3,138	\$ 4,242	\$ 4,359	\$ 4,433
<b>FUND BALANCE</b>					
Reserve for economic uncertainties	\$ 3,652	\$ 3,012	\$ 1,418	\$ -314	\$ -2,119
Months in Reserve	14.0	8.5	3.9	-0.8	-5.7

**NOTES:**

Assumes workload and revenue projections are realized in BY +1 and ongoing.  
 Expenditure growth projected at 3% beginning BY +1.



**0752 - Home Furnishings and Thermal Insulation Fund Analysis of Fund Condition**

Prepared 5.12.23

(Dollars in Thousands)

2023-24 Governor's Budget with FM9 projections

	<b>Actual 2021-22</b>	<b>CY 2022-23</b>	<b>BY 2023-24</b>	<b>BY +1 2024-25</b>	<b>BY +2 2025-26</b>
<b>BEGINNING BALANCE</b>	\$ 6,058	\$ 6,821	\$ 6,455	\$ 5,216	\$ 3,775
Prior Year Adjustment	\$ 177	\$ 0	\$ 0	\$ 0	\$ 0
Adjusted Beginning Balance	\$ 6,235	\$ 6,821	\$ 6,455	\$ 5,216	\$ 3,775
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>					
Revenues					
4121200 - Delinquent fees	\$ 239	\$ 160	\$ 174	\$ 174	\$ 174
4127400 - Renewal fees	\$ 4,337	\$ 4,045	\$ 4,063	\$ 4,063	\$ 4,063
4129200 - Other regulatory fees	\$ 115	\$ 108	\$ 120	\$ 120	\$ 120
4129400 - Other regulatory licenses and permits	\$ 937	\$ 756	\$ 963	\$ 963	\$ 963
4163000 - Income from surplus money investments	\$ 26	\$ 80	\$ 73	\$ 56	\$ 33
4171400 - Escheat of unclaimed checks and warrants	\$ 18	\$ 14	\$ 14	\$ 14	\$ 14
Totals, Revenues	\$ 5,672	\$ 5,163	\$ 5,407	\$ 5,390	\$ 5,367
Operating Transfers To General Fund 0001 per EO E 21/22-276 Revised (AB 84)	\$ -228	\$ 0	\$ 0	\$ 0	\$ 0
Totals, Transfers and Other Adjustments	\$ -228	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>	\$ 5,444	\$ 5,163	\$ 5,407	\$ 5,390	\$ 5,367
<b>TOTAL RESOURCES</b>	\$ 11,679	\$ 11,984	\$ 11,862	\$ 10,606	\$ 9,142
Expenditures:					
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 4,398	\$ 5,057	\$ 6,151	\$ 6,336	\$ 6,526
9892 Supplemental Pension Payments (State Operations)	\$ 111	\$ 111	\$ 111	\$ 111	\$ 0
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 349	\$ 361	\$ 384	\$ 384	\$ 384
<b>TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>	\$ 4,858	\$ 5,529	\$ 6,646	\$ 6,831	\$ 6,910
<b>FUND BALANCE</b>					
Reserve for economic uncertainties	\$ 6,821	\$ 6,455	\$ 5,216	\$ 3,775	\$ 2,233
Months in Reserve	14.8	11.7	9.2	6.6	3.9

**NOTES:**

Assumes workload and revenue projections are realized in BY +1 and ongoing. Expenditure growth projected at 3% beginning BY +1.

**3315 - Household Movers Fund Analysis of Fund Condition**  
**(Dollars in Thousands)**  
**2023-24 Governor's Budget with FM9 projections**

Prepared 5.12.23

	<b>Actual 2021-22</b>	<b>CY 2022-23</b>	<b>BY 2023-24</b>	<b>BY +1 2024-25</b>	<b>BY +2 2025-26</b>
<b>BEGINNING BALANCE</b>	\$ 5,062	\$ 7,911	\$ 8,437	\$ 9,224	\$ 9,925
Prior Year Adjustment	\$ 330	\$ 0	\$ 0	\$ 0	\$ 0
Adjusted Beginning Balance	\$ 5,392	\$ 7,911	\$ 8,437	\$ 9,224	\$ 9,925
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>					
Revenues					
4121200 - Delinquent fees	\$ 128	\$ 124	\$ 133	\$ 133	\$ 133
4127400 - Renewal fees	\$ 3,932	\$ 3,779	\$ 4,011	\$ 4,011	\$ 4,011
4129200 - Other regulatory fees	\$ 75	\$ 75	\$ 77	\$ 77	\$ 77
4129400 - Other regulatory licenses and permits	\$ 87	\$ 84	\$ 90	\$ 90	\$ 90
4163000 - Income from surplus money investments	\$ 0	\$ 0	\$ 147	\$ 147	\$ 156
4171400 - Escheat of unclaimed checks and warrants	\$ 2	\$ 5	\$ 0	\$ 0	\$ 0
4172500 - Miscellaneous revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Totals, Revenues	\$ 4,224	\$ 4,067	\$ 4,458	\$ 4,458	\$ 4,467
Revenue Transfer from Household Mover's Fund (3315) to Motor Carriers Safety Improvement Fund (0293) per Public Utilities Code Section 5003.1	\$ -23	\$ -21	\$ -21	\$ 0	\$ 0
Operating Transfers From BU8660 Fund 0412 Per CH 51/18 SB854 SEC54	\$ 506	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers To General Fund 0001 per EO E 21/22-276 Revised (AB 84)	\$ -100	\$ 0	\$ 0	\$ 0	\$ 0
Totals, Transfers and Other Adjustments	\$ 383	\$ -21	\$ -21	\$ 0	\$ 0
<b>TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>	\$ 4,607	\$ 4,046	\$ 4,437	\$ 4,458	\$ 4,467
<b>TOTAL RESOURCES</b>	\$ 9,999	\$ 11,957	\$ 12,874	\$ 13,682	\$ 14,392
Expenditures:					
1111 Department of Consumer Affairs Regulatory Boards, Bureaus, Divisions (State Operations)	\$ 1,808	\$ 3,309	\$ 3,552	\$ 3,659	\$ 3,768
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 280	\$ 211	\$ 98	\$ 98	\$ 98
<b>TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS</b>	\$ 2,088	\$ 3,520	\$ 3,650	\$ 3,757	\$ 3,866
<b>FUND BALANCE</b>					
Reserve for economic uncertainties	\$ 7,911	\$ 8,437	\$ 9,224	\$ 9,925	\$ 10,526
Months in Reserve	27.0	27.7	29.5	30.8	32.7

**NOTES:**

Assumes workload and revenue projections are realized in BY +1 and ongoing.  
Expenditure growth projected at 3% beginning BY +1.

**Background**

In response to requests during prior Advisory Council meetings, below is further information about citation fines collected and additional information about the Bureau’s actual spending in a fiscal year compared to the amount budgeted, often called “reversion.”

**Citation Fines Collected**

The chart below shows the amount of citation fines collected for EAR and HHM. The HFTI fund shows that no money was collected from citations in either the current or prior fiscal years. However, Bureau staff do not believe this is the case, as most citation review conferences involve HFTI businesses. While many businesses do not pay their fines, staff are aware of many businesses that do. For this reason, management is looking into how fines are reported/accounted for and will report back to the Council in October.

<b>Fund</b>	<b>Actual FY 2022-23 (July 1, 2022-March 31, 2023)</b>	<b>Prior FY 2021-22 (July 1, 2021-June 30, 2022)</b>
EAR	\$5,450	\$10,650
HHM	\$3,650	\$4,000

**Reversions**

The chart below shows that the Bureau’s reversion for all three programs. The unspent money will revert back to the Bureau’s various funds for future budget years.

<b>Fund</b>	<b>Projected Current FY Year 2022-23 Reversion</b>	<b>Prior FY 2021-22 Reversion</b>
EAR	\$960,743	\$1,773,082
HFTI	\$1,043,981	\$1,875,544
HHM	\$442,437	\$311,756

**Months in Reserve Alternative Projection**

Below are alternative fund condition projections for future fiscal years based on the assumption that the Bureau will have reversions identical to those projected for the current fiscal year (2022-23). The Bureau believes that these projections are a more realistic assessment of the funds’ health through 2025 than that shown on the previous page.

<b>Alternative Projected Months in Reserve</b>				
<b>Fund</b>	<b>Current FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>
EAR	10.8	8.1	5.2	2.3
HFTI	13.6	12.6	11.6	10.6
HHM	28.9	31.2	33	35.5

## AGENDA ITEM 6-b

Administrative

The Administration Unit is responsible for personnel management, which includes recruitment and hiring, on/off-boarding staff, and assisting Bureau staff in resolving pay and benefits issues. In addition, the unit handles contract administration and procurement, as well as asset management. It also provides support for the Executive Office, covers the reception area, responds to Public Records Act requests, and coordinates record management for the Bureau. Lastly, the unit oversees building facilities requests and provides training and travel liaison assistance for staff.

### **Bureau Staffing**

Since the addition of the Household Movers division in 2018, Bureau staffing has increased by 39 percent, growing from 49.5 positions to 69 positions covering all three program areas. Most of this growth has occurred in Enforcement and also includes five additional management positions throughout the Bureau. With this increase in staff, hiring priorities have been based on business needs and available resources.

Recently, DCA approved the Bureau's reorganization, which will realign staff positions in a way that best meets organizational needs. All Enforcement staff now report to an Enforcement Chief and a Case Management team of two analysts has been created to support Enforcement. In addition, all Lab staff will report to the Senior Environmental Scientist.

At the June 2022 Advisory Council meeting, the vacancy rate was 30 percent. Since then, the vacancy rate has trended downward and is currently 26 percent. Over the last two fiscal years, the Bureau filled 21 positions. During that same time period, the Bureau added 16 new positions and promoted eight staff members, which effectively did not reduce the vacancy rate. Reducing the vacancy rate to less than 10 percent continues to be the Administration unit's highest priority.

**Current Vacancies and Projected Start Dates for New Staff as of May 22, 2023**

	Lic.	Admin	Lab	Compliance	NorCal Invest.	SoCal Invest.	Case Mgmt	Mgmt	Total
	<b><u>1 Total</u></b>	<b><u>1 Total</u></b>	<b><u>3 Total</u></b>	<b><u>4 Total</u></b>	<b><u>4 Total</u></b>	<b><u>1 Total</u></b>	<b><u>2 Total</u></b>	<b><u>5 Total</u></b>	
Vacancies	1 Analyst	1 Office Tech	<i>On Hold</i> 2 Textile Techs 1 Office Tech	3 Analysts 1 Office Tech	Bay Area: 3 Central: 1	Los Angeles / Ventura: 1	<i>On hold until new SSII in place</i> Analyst Lead Analyst	Policy Mgr: 2 Enf. Chief: 1* SSI NorCal: 1 <i>(On hold until new Enf. Chief is in place)</i> Sr. Env. Scientist: 1	21
Recruitment In Process	1	1	--	4	4	1	--	3	14
Currently Advertised	--	--	--	3 Analysts	--	--	--	--	3
Pending Interviews	--	--	--	--	Central	--	--	--	1
In Background	1	1	--	--	--	--	--	--	2
Projected Month	May 2023	May 2023	TBD	June 2023	Oct. 2023	Oct. 2023	July 2023	July – Oct. 2023	

\*Open Recruitment for Enforcement Chief due to pending retirement of current Chief

**Onboarding New Staff**

On May 9th, 2023, the Bureau hosted a successful day-long New Employee Orientation that included discussions with the Bureau Chief, Deputy Chief, presentations from each unit to share how they contribute to the Bureau’s mission, a Lab tour, team building, and lots of food. Fifteen new employees, including three Special Investigators from Central and Southern California, attended the orientation. The Bureau will continue conducting Employee Orientations as more staff are hired.

**Telework**

The Bureau recognizes that telework is vital for employee recruitment and retention and has invested in equipment to facilitate telework. Over the last year, the Bureau transitioned computers for office staff from obsolete desktop computers to laptop computers and staff can take a larger monitor home. In September 2022, the Bureau switched to internet-based calling, which allows staff to take Bureau calls while teleworking.

## AGENDA ITEM 6-c

Licensing

The Licensing Unit oversees four distinct areas: Electronic and Appliance Repair, Home Furnishings and Thermal Insulation, Service Contracts, and Household Movers. Licensing works daily with applicants and licensees who have questions about their application and/or license fees via phone and email. Licensing reviews applications and determines if there if any requirements have not been met. In addition, Licensing also processes licensing and registration renewals, household mover quarterly reports, address/business/owner changes, delinquencies, license histories/certifications, and reviews new service contract agreement language.

<b>Electronic and Appliance Repair Registrations</b>					
<b>Quarter Ending</b>	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	<b>Average</b>
Appliance Service Dealers	2,539	2,564	2,586	2,663	<b>2,588</b>
Electronic Service Dealers	3,377	3,239	3,190	3,192	<b>3,250</b>
Combination Electronic/ Appliance Service Dealers	258	265	267	258	<b>262</b>
Service Contract Administrators	69	73	75	79	<b>74</b>
Service Contract Sellers	11,703	11,397	11,877	11,773	<b>11,688</b>
<b>Total Active EAR Registrations</b>	<b>17,946</b>	<b>17,538</b>	<b>17,995</b>	<b>17,965</b>	<b>17,861</b>

<b>Home Furnishings and Thermal Insulation Licenses</b>					
<b>Quarter Ending</b>	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	<b>Average</b>
Furniture Retailers	1,925	1,922	1,871	1,894	<b>1,903</b>
Bedding Retailers	1,846	1,868	1,869	1,903	<b>1,872</b>
Furniture and Bedding Retailers	10,334	10,209	10,303	10,319	<b>10,291</b>
Custom Upholsterers	454	447	433	415	<b>437</b>
Supply Dealers	92	91	89	91	<b>91</b>
Importers (includes overseas Manufacturers)	5,879	5,965	5,946	5,940	<b>5,933</b>
Manufacturers	1,333	1,331	1,340	1,332	<b>1,334</b>
Sanitizers	32	32	31	32	<b>32</b>
Wholesalers	155	152	152	151	<b>153</b>
Thermal Insulation Manufacturers	98	97	100	99	<b>99</b>
<b>Total Active HFTI Licenses</b>	<b>22,148</b>	<b>22,114</b>	<b>22,134</b>	<b>22,176</b>	<b>22,143</b>

<b>Household Movers Permits</b>					
<b>Quarter Ending</b>	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	<b>Average</b>
New Permits Issued	45	33	31	25	<b>34</b>
Exams Administered	36	45	30	32	<b>36</b>
Exam Pass Rate	89%	93%	90%	94%	<b>92%</b>
<b>Total Active HHM Permits</b>	<b>1,097</b>	<b>1,107</b>	<b>1,096</b>	<b>1,063*</b>	<b>1,091</b>

\*The number of total active HHM permits has decreased due to quarterly report suspensions and permit cancellations.



**Household Movers Quarterly Revenue Report**

<b>Quarter Ending</b>	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23*</b>	<b>Average</b>
Quarterly Reports Received	1,116	1,068	1,123	768	<b>1,109</b>
Gross Revenue	\$868,678	\$1,067,781	\$812,411	\$471,001	<b>\$804,967</b>
Administrative Fees	\$11,160	\$10,680	\$11,230	\$7,680	<b>\$10,187</b>
CHP Fees	\$5,580	\$5,340	\$5,615	\$3,840	<b>\$5,093</b>
Net Revenue	\$851,938	\$1,051,761	\$795,566	\$459,481	<b>\$789,686</b>
Net Revenue Including Admin Fees	\$863,098	\$1,062,441	\$806,796	\$467,161	<b>\$910,778</b>

\*The "Quarterly Reports Received" and the revenue collected for the quarter ending March 31, 2023 will increase as the Bureau continues to receives outstanding revenue.

## AGENDA ITEM 6-d

Laboratory

The BHGS Laboratory conducts testing to ensure that manufacturers comply with all Bureau laws and regulations for the Household Furnishings and Thermal Insulation program. Laboratory staff conduct physical break downs, chemical analyses, and flammability tests of insulation materials, upholstered furniture, bedding products, and mattresses. Following analysis, the resulting scientific reports are used to support the Bureau’s enforcement efforts.

**Technical Bulletin 117-2013**

Technical Bulletin 117-2013 is California’s smolder resistance test for filling materials used in upholstered furniture. This standard is intended to produce upholstered furniture which has reduced risk of smoldering. This standard provides methods for smolder resistance of cover fabrics, barrier materials, resilient filling materials, and decking materials used in upholstered furniture.

<b>TB 117-2013 – Smoldering Test of Upholstered Furniture</b>					
<b>Results</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	4	7	29	22	16
Fail	1	0	0	1	1
Total tested	5	7	29	23	17
Pass rate	80%	100%	100%	96%	94%

TB 117-2013 testing failures are rare, but when they do occur it is most often from manufacturers outside of the United States. Overall, manufacturers’ products are meeting California’s smoldering standards.

<b>TB 117-2013 – Manufacturing Locations of Testing Failures</b>					
<b>Location</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
U.S. - California	0	0	0	0	0
U.S. – Other States	0	0	0	0	0
Outside U.S.	1	0	0	1	1
Total Failures	1	0	0	1	1
Samples Tested	5	7	29	23	17

**16 Code of Federal Regulations (CFR) 1633**

16 CFR 1633 is the U.S. Consumer Product Safety Commission’s standard for the flammability (open flame) of mattress sets. Part 1633 establishes flammability requirements that all mattress sets must meet before sale or introduction into commerce. The standard intends to reduce deaths and injuries associated with mattress fires by limiting the size of the fire generated by a mattress set during a thirty-minute test.

<b>16 CFR 1633 – Flammability (Open Flame) Test of Mattress Sets</b>					
<b>Results</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	4	2	2	1	2
Fail	1	0	5	0	2
Total tested	5	2	7	1	4
Pass rate	80%	100%	29%	100%	50%

For the four quarters ending between June 30, 2022 and March 31, 2023, U.S. manufacturers accounted for all 16 CFR 1633 failures. All but one mattress picked-up during that timeframe were from U.S. manufacturers.

<b>16 CFR 1633 – Manufacturing Locations of Testing Failures</b>					
<b>Location</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
U.S. - California	0	0	4	0	1
U.S. – Other States	1	0	1	0	1
Outside U.S.	0	0	0	0	0
Total Failures	1	0	5	0	2
Samples Tested	5	2	7	1	4

**Thermal Insulation**

Thermal insulation testing includes smoldering, flammability, corrosion, and R-value (efficiency rating) of thermal insulation samples. The Bureau tests various thermal insulation, such as loose-fill cellulose, fiberglass battings, loose-fill fiberglass, and polystyrene foam boards.

<b>Thermal Insulation Testing – Smoldering, Flammability, Corrosion &amp; R-Value</b>					
<b>Results</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	4	1	0	4	2
Fail	2	2	1	1	2
Total tested	6	3	1	5	4
Pass rate	67%	33%	0%	80%	50%

For the four quarters ending between June 30, 2022 and March 31, 2023, the Bureau only tested thermal insulation products manufactured in the U.S.; most insulation is made domestically.

<b>Thermal Insulation – Manufacturing Locations of Testing Failures</b>					
<b>Location</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
U.S. - California	0	0	0	0	0
U.S. – Other States	2	2	1	1	2
Outside U.S.	0	0	0	0	0
Total Failures	2	2	1	1	2
Samples Tested	6	3	1	5	4

**Bedding Testing – Finished Size and Net Weight**

Bedding testing consists of compliance with finished size and net weight measurements. Examples of bedding products include, comforters, bed pillows, mattress pads, and mattresses.

<b>Bedding Testing – Finished Size and Net Weight*</b>					
<b>Results</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	6	1	11	2	5
Fail	5	2	4	3	4
Total tested	11	3	15	5	9
Pass rate	55%	33%	83%	40%	56%

\*For the quarters ending June 30, 2022 and September 30, 2022, the Bureau inadvertently excluded mattresses from “Bedding Testing - Finished Size and Net Weight” failures. Previously reported quarters have been updated to reflect these failures. Please note: Label failures are not reported in this section.

Bedding failures (finished size and net weight) are relatively split among all manufacturing locations. Lab staff have concluded that manufacturers are often unclear about how finished size is measured, so staff are creating clarifying content for the BHGS website.

<b>Bedding Testing – Manufacturing Locations of Testing Failures</b>					
<b>Location</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
U.S. - California	2	0	2	0	1
U.S. – Other States	1	1	0	1	1
Outside U.S.	2	1	2	2	2
Total Failures	5	2	4	3	4
Samples Tested	11	3	15	5	9

The table below includes test results for TB 117-2013, 16 CFR 1633, and bedding and thermal insulation. Information about label review and flame-retardant chemical testing results follow.

The Lab tested more items in the last two quarters than in the prior two quarters because of the addition of a third Environmental Scientist and completion of the NVLAP (National Voluntary Laboratory Accreditation Program) accreditation in November 2022.

<b>BHGS Laboratory Testing Totals*</b>					
<b>Results</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	18	11	42	29	25
Fail	9	4	10	5	7
Total tested	27	15	52	34	32
Pass rate	67%	73%	81%	85%	78%

\*This table excludes DTSC testing and labeling review results.

**Flame Retardant Chemical Labeling and Testing**

Since the passage of SB 1019 in 2015, manufacturers are required to state if their product does or does not contain flame-retardant chemicals. Currently, almost all manufacturers state they do not use flame-retardant chemicals in their products.

<b>Flame Retardant Chemical Statement Analysis</b>					
<b>Label Checked As</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
No Added FR Chemicals	13	7	29	23	18
Added FR Chemicals	0	0	0	0	0
No Box Checked	1	0	1	0	1
<b>Total</b>	<b>14</b>	<b>7</b>	<b>30</b>	<b>23</b>	<b>19</b>
No Added FR Chemicals check on Flammability Label	93%	100%	97%	100%	95%

The Bureau sends products where the flammability label includes a “contains NO added flame retardant” chemical statement to the California Department of Toxic Substances Control (DTSC) for chemical analysis to confirm the accuracy of the statement. This includes juvenile products, foam in adult mattresses, and upholstered furniture.

No samples sent to DTSC in the past four quarters contained over 1000ppm (parts per million) of flame-retardant chemicals. Though each sample can involve sending multiple layers to DTSC for testing, it will only be recorded as one overall pass or fail.

<b>Samples Analyzed by DTSC with the “No Added Flame Retardant” Chemical Statement</b>					
<b>DTSC Analysis</b>	<b>Quarter Ending</b>				<b>Quarterly Average</b>
	<b>6/30/22</b>	<b>9/30/22</b>	<b>12/31/22</b>	<b>3/31/23</b>	
Pass	2	3	1	1	2
Fail	0	0	0	0	0
<b>Total Tested</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Pass Rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



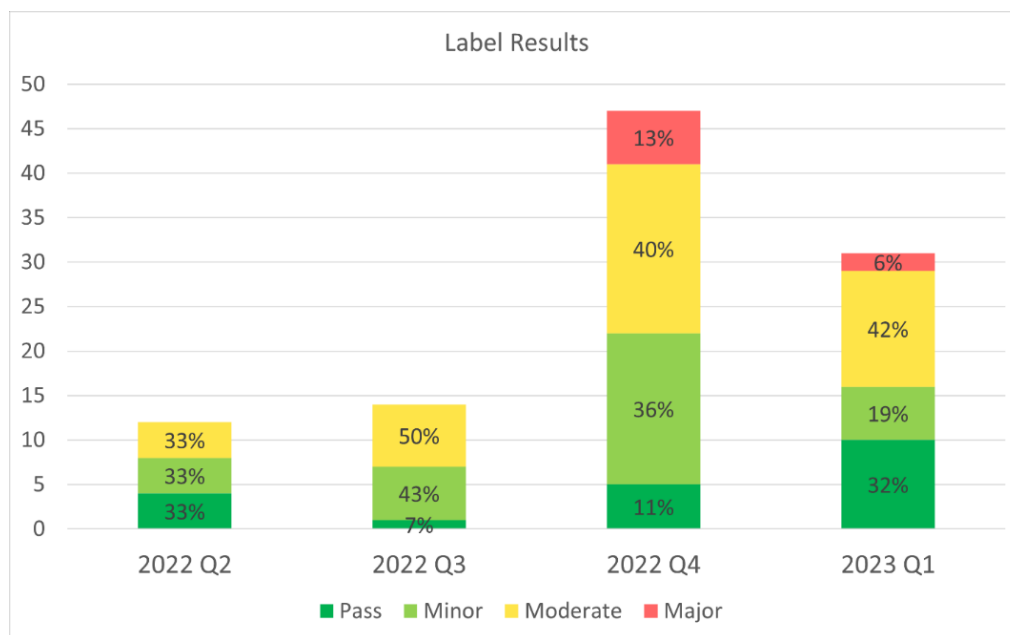
### Label Review

Label review is conducted on all mattresses, upholstered furniture, and bedding products. A Laboratory analyst reviews the law and flammability labels attached to the products to determine if the manufacturer has followed the rules and regulations that apply to their product. On average, only 19 percent of labels reviewed had no violations, while 81 percent of the labels reviewed had at least one violation, as shown in the two charts below.

The Bureau will reimburse businesses with samples that pass or samples with minor labeling failures, but not those with moderate labeling failures. Major labeling failures will lead to enforcement action against the manufacturer.

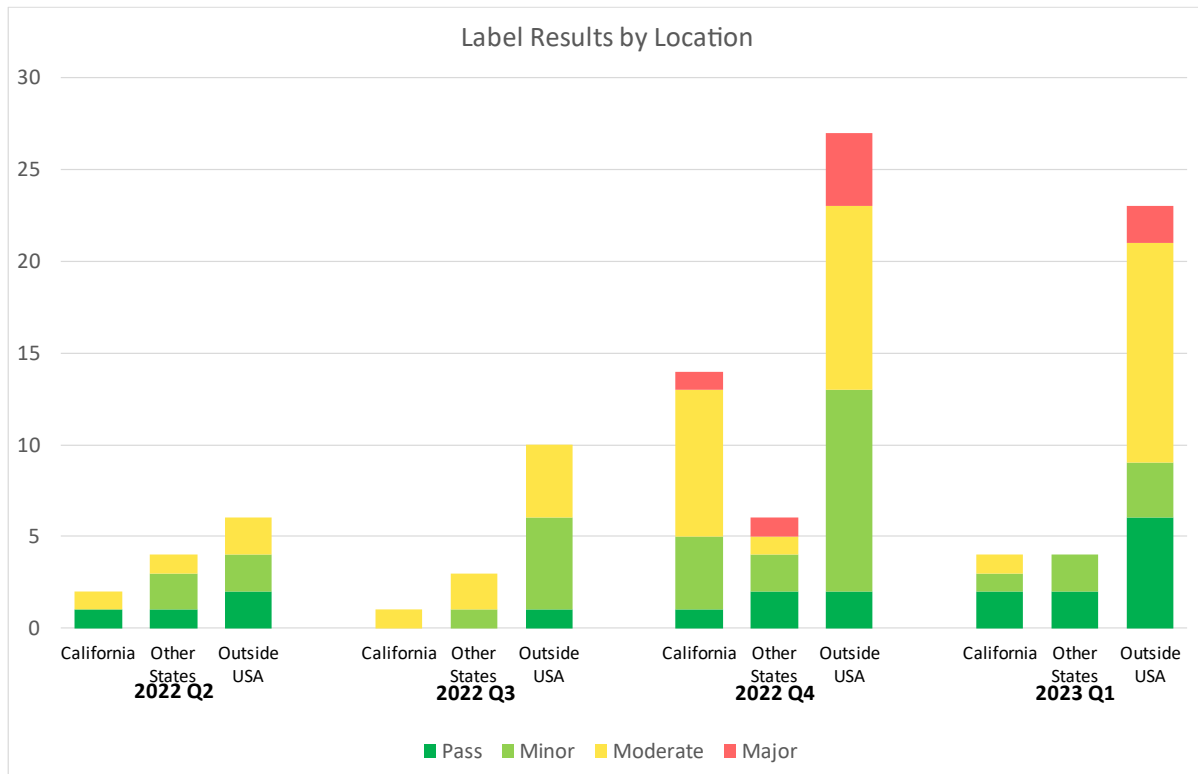
Label Reviews Conducted					
Labeling Results*	Quarter Ending				Quarterly Average
	6/30/22	9/30/22	12/31/22	3/31/23	
Pass	4	1	5	10	5
Minor	4	6	17	6	8
Moderate	4	7	19	13	11
Major	0	0	6	2	2
<b>Total Labels Reviewed</b>	12	14	47	31	26
<b>Pass rate of labels</b>	33%	7%	11%	32%	19%

\*Labeling results exclude thermal insulation products.



The data in the two charts below show that most label failures involve manufacturers from outside the United States, as most of the collected samples are from manufacturers outside the U.S. When comparing “total failures” and “samples tested”, the majority of samples tested fail the label review.

Label Reviews – Manufacturing Locations of Label Failures					
Location	Quarter Ending				Quarterly Average
	6/30/22	9/30/22	12/31/22	3/31/23	
U.S. – California	1	1	13	2	4
U.S. – Other States	3	3	4	2	3
Outside U.S.	4	9	25	17	14
<b>Total Failures</b>	<b>8</b>	<b>13</b>	<b>42</b>	<b>21</b>	<b>21</b>
<b>Samples Tested</b>	<b>12</b>	<b>14</b>	<b>47</b>	<b>31</b>	<b>26</b>



## AGENDA ITEM 6-e

Enforcement

## **Enforcement Program Update and Statistical Review**

### **Staffing Update**

There are currently 14 vacancies out of 37 positions in the Enforcement division, which with the recent staff reorganization plan now includes the Northern and Southern California Special Investigations Units, the Compliance Unit, and Case Management. The division's management team has prioritized filling vacancies and interviews are currently underway to fill a number of these positions.

### **Investigation Highlights**

#### **Attorney General Referrals**

Between January 2023 and May 2023, the Enforcement division referred four cases to the Attorney General's Office – one HFTI case, one EAR case, and two HHM cases – seeking administrative action and injunctive relief.

#### **California Department of Industrial Relations**

On January 19, 2023, representatives from the California Department of Industrial Relations (DIR) and Enforcement Program staff met to discuss the Bureau's regulatory responsibilities. Following that meeting, Bureau and DIR investigators conducted a joint visit to an unlicensed household mover. As a result, the Bureau issued administrative fines of \$5,000, and DIR issued fines in the amount of \$1,375,000 for failure to have workers' compensation. Since that visit, the business has secured workers' compensation and applied for a household mover permit.

#### **District Attorney Offices**

The Enforcement program participates in quarterly consumer fraud taskforce meetings with the San Diego County District Attorney's Office, along with other local and state regulatory and law enforcement agencies, to discuss ongoing trends in consumer fraud. At the most recent meeting, on April 12, 2023, Bureau staff presented information about current enforcement and outreach efforts, including plans for additional outreach to prevent household mover fraud targeting the military and senior citizen communities.

#### **Memorandum of Agreement with Federal Motor Carrier Safety Administration**

In October 2020, the Bureau and the Department of Transportation Federal Motor Carrier Safety Administration (FMCSA) signed a Memorandum of Agreement. As a result of that agreement, the Bureau has access to various FMCSA systems.

Enforcement program staff commonly use the FMCSA portal during investigations of household movers. The portal provides pertinent carrier information, including additional business addresses and contact phone numbers, known principals, valid registrations, insurance information, vehicle information, and any complaints filed with FMCSA. Additionally, the Bureau can access complaint history affecting consumers outside of California to determine if there are similar allegations made against the business.

### **Kern County Sting Operation**

On April 20, 2023, the Special Investigations Unit within the Enforcement program, with the assistance of the Kern County District Attorney's Office, the California Department of Insurance, and the DCA Division of Investigations, conducted a one-day sting operation in Kern County focused on unlicensed movers. The Bureau received multiple complaints against two of the movers targeted for the sting and two of the movers were previously licensed with the Bureau. The sting resulted in eight criminal cases being referred to the Kern County District Attorney's office for operating without a valid permit, advertising violations, and failure to have workers' compensation insurance. An additional violation was issued to a business that aided and abetted an unpermitted mover by referring the move to them.

### **Consumer Assistance**

The Enforcement program works with consumers daily to help resolve complaints filed against both licensed and unlicensed businesses.

A consumer filed a complaint with the Bureau in September 2022, after spending eight months trying to obtain the release of their property for a move from Santa Monica, California to Florida. The BHGS Special Investigator assigned to the case immediately reached out to both the consumer and the mover and after a number of conversations in November 2022, the mover agreed to release the goods without any further cost to the consumer. The Bureau also provided the consumer a license status certificate and civil court information, which the consumer used to prevail in court. The judge ordered the mover to return all monies paid by the consumer (\$5,437) and all out-of-pocket expenses for hotel, airfare, and legal costs (\$3,327), for a total judgment of \$8,764. On January 4, 2023, the Bureau sent the out-of-state carrier an administrative citation for unlicensed operations.

On March 20, 2023, a Bureau Special Investigator was assigned a complaint alleging overcharges for a move from Poway, California to Prescott, Arizona. In addition, the mover was holding the goods and demanding more money. On April 28, 2023, the consumer successfully recovered her belongings at a truck stop in Las Vegas, Nevada after the Bureau helped negotiate an agreement with the unpermitted interstate mover for release of her belongings without payment of the additional money. The Bureau issued the business a cease operations letter and will continue to monitor their operations to ensure they comply with the law.

### **Business Assistance**

The Enforcement program regularly educates businesses about applicable laws and regulations to ensure compliance.

During the mediation of a consumer complaint against a licensed mover, the Bureau assisted both parties by negotiating an agreement for the release of the consumer's property. The Bureau found no violations on the part of the mover.

After receiving a complaint against an EAR licensee, the Bureau found no violations. However, through field visits to the business, investigators discovered they were operating without a required HFTI license. Bureau staff educated the business about the applicable legal requirements, after which the business obtained four Home Furnishing licenses for the sale of mattresses.

The Bureau received multiple complaints against a licensed mover regarding late deliveries and unresolved claims. After meeting with the owner and learning about their moving practices, Bureau staff educated him about applicable laws and regulations and provided examples of various business practices he could implement to avoid similar complaints. The Bureau successfully facilitated settlements for all the complaints, which involved monetary compensation and/or an apology to the complainants.

**Complaint Intake Statistics**

**Complaints Received and Investigations Initiated**

All complaints received by the Bureau are processed and triaged by the Compliance Unit, and each complainant receives an acknowledgement letter. Compliance Unit staff then determine if the Bureau has jurisdiction. Bureau staff close non-jurisdictional cases without investigation and send a letter to the consumer with information about other remedies. When the Bureau does have jurisdiction, complaints are mediated or investigated further.

The table below shows the number of incoming complaints for all three program areas over the last four quarters and the number closed without investigation (non-jurisdictional) or referred for investigation. The number of cases referred for investigation fluctuates from quarter to quarter. While variance is not uncommon, Bureau staff will continue to closely monitor these numbers to identify any potential long-term trends. In addition, beginning in September 2022, the Bureau changed its process so that all incoming HHM complaints are investigated.

<b>Complaints Received*</b>					
	<b>Quarter Ending 06/30/2022</b>	<b>Quarter Ending 09/30/2022</b>	<b>Quarter Ending 12/31/2022</b>	<b>Quarter Ending 03/31/2023</b>	<b>Quarter Average</b>
<b>EAR</b>					
Received	281	329	287	276	293
Closed w/out Investigation	172	210	204	192	195
Referred for Investigation	101	121	88	72	96
<b>HFTI</b>					
Received	146	114	124	141	131
Closed w/out Investigation	60	45	92	75	68
Referred for Investigation	81	73	37	54	61
<b>HHM</b>					
Received	216	142	89	96	136
Closed w/out Investigation	5	9	0	0	4
Referred for Investigation	211	133	109	94	137
<b>Bureau Totals</b>					
Received	643	585	500	513	560
Closed w/out Investigation	237	264	296	267	266
Referred for Investigation	393	327	234	220	294

\*Please note: The number of complaints received for each quarter will not be equivalent to the combined “closed without investigation” and “referred for investigation” because complaints either closed or investigated may have been received during a prior quarter or closed during the following quarter.

### Desk Investigations

Compliance Unit analysts perform desk investigations and mediate licensed electronic and appliance repair complaints, as well as home furnishings and thermal insulation complaints. Household mover complaints are forwarded to the Special Investigations Unit for investigation after the Compliance Unit completes its initial triage. (See the “Field Investigations” chart for updated statistics on HHM complaints). The Compliance Unit is also responsible for investigating and writing citations for laboratory testing that result in label or flammability failure, investigating licensing fee waivers, and investigating criminal background and subsequent arrest investigations.

The chart below shows the number of desk investigations that Compliance Unit staff received and closed over the last four quarters. Bureau management has prioritized filling staff vacancies in the Compliance Unit, after which we expect to see an increase in the number of closed cases.

Desk Investigations					
	Quarter Ending 06/30/2022	Quarter Ending 09/30/2022	Quarter Ending 12/31/2022	Quarter Ending 03/31/2023	Quarter Average
<b>EAR</b>					
Received	88	93	74	64	80
Closed	61	61	53	35	53
<b>HFTI</b>					
Received	54	45	32	29	40
Closed	48	27	19	8	26
<b>Compliance Unit Totals</b>					
Received	142	138	106	93	120
Closed	109	88	72	43	78

Note: Household mover complaints are forwarded to the Special Investigations Unit for investigation after the Compliance Unit completes its initial triage.

### Field Investigations

The Special Investigations Unit investigates egregious complaints against licensed and unlicensed businesses. SIU staff are located throughout California and work with other state and local agencies, sharing case information and strategies to assist in mediation between businesses and consumers. In addition, SIU conducts field inspections to address unlicensed operations and license renewal delinquencies and collects product samples for testing in the Bureau lab.

The table below shows the number of field investigations received and closed by SIU over the last four quarters. Cases are closed when citations are issued, consumer complaints are mediated, disciplinary action was taken, or no further action was required. As in years past, the number of cases referred for field investigation varies from quarter to quarter. Bureau staff continue to monitor these numbers to identify any long-term trends.



Field Investigations					
	Quarter Ending 06/30/2022	Quarter Ending 09/30/2022	Quarter Ending 12/31/2022	Quarter Ending 03/31/2023	Quarter Average
<b>EAR</b>					
Received	23	42	22	8	24
Closed	25	32	27	15	25
<b>HFTI</b>					
Received	34	31	17	28	28
Closed	29	39	15	32	29
<b>HHM</b>					
Received	211	133	109	94	137
Closed	23	40	136	24	56
<b>Field Unit Totals</b>					
Received	268	206	148	130	188
Closed	77	111	178	71	109

**Enforcement Program Citations Assessed**

During an investigation and while conducting inspections, Enforcement staff use a variety of methods to gain compliance, including education, cease letters, and citations.

The chart below details the number of citations issued and the overall amount assessed for all three programs during the last four quarters. Changes in SIU staffing – onboarding, new employees, and extended leave – have led to some fluctuations quarter-to-quarter in the number of citations issued. Management is committed to cross-training enforcement staff so that all investigators can work in all three program areas.

Citations Assessed					
	Quarter Ending 06/30/2022	Quarter Ending 09/30/2022	Quarter Ending 12/31/2022	Quarter Ending 03/31/2023	Quarter Average
<b>EAR</b>					
Citations Issued	39	42	39	20	35
Amount	\$10,750	\$11,250	\$10,450	\$5,250	\$9,425
<b>HFTI</b>					
Citations Issued	71	35	19	42	42
Amount	\$41,750	\$23,200	\$9,100	\$18,950	\$23,250
<b>HHM</b>					
Citations Issued	10	19	13	21	16
Amount	\$24,000	\$24,500	\$22,000	\$45,000	\$28,875
<b>Bureau Totals</b>					
Citations Issued	120	96	71	83	93
Amount	\$76,500	\$58,950	\$41,550	\$69,200	\$61,550

**Hold Hostage**

The Bureau continues to refine its working definition of “hold hostage.” Below is the Bureau’s current definition, along with that of the FMCSA. Bureau management is seeking feedback from Advisory Council members, the public, and other stakeholders about any further refinements to the Bureau’s definition of the term.

BHGS Hold Hostage Definition:

1. The mover has full supervision and control of the consumer’s goods; and
2. After taking possession, the mover demands additional payment outside of the agreed upon contracted price as a condition of releasing the consumer’s goods; and
3. The demand for additional payment is not permissible by law.

FMCSA Hostage Load Definition:

“Hostage Household Goods (HHG) Shipment Statute: A hostage HHG shipment is defined by the statute as the knowing and willful failure in violation of a contract to deliver to or unload at the destination of a shipment for which charges have been estimated by the motor carrier providing transportation and for which the shipper (customer) has tendered payment.”

<b>Recoveries and Hold Hostages (Tracking Began July 1, 2022)</b>				
<b>HHM Program</b>	<b>Quarter Ending 09/30/2022</b>	<b>Quarter Ending 12/31/2022</b>	<b>Quarter Ending 03/31/2023</b>	<b>Quarter Average</b>
Hold Hostage Cases Verified	3	3	0	2
Total Recoveries	5	1	3	3

## AGENDA ITEM 7

### Legislative and Policy Updates

- a. Update on Bureau's Sunset Review & SB 814 (Roth, 2023)
- e. Upholstered Furniture and Bedding Law Label Regulatory Proposal
- f. AB 1059 (Friedman, 2023) – Product Safety: Consumer Products: Fiberglass
- g. SB 244 (Eggman) – Right to Repair Act
- h. SB 271 (Dodd) – Powered Wheelchairs: Right to Repair



## AGENDA ITEM 7-a

Update on Bureau's Sunset Review & SB 814 (Roth, 2023)



## Background

The Bureau submitted its Sunset Review report to the Legislature in December 2022. On March 16, 2023, DCA Director Kim Kirchmeyer and Bureau Chief Justin Paddock testified before the Assembly and Senate Business and Professions Committees, and the Bureau submitted formal responses on April 17, 2023, to questions raised in the Committee’s background paper and questions that arose during the March hearing, along with proposed legislative language for the Bureau’s sunset bill (SB 814—Roth).

## Sunset Bill Status

At the time of this document (June 4, 2023), SB 814 was in the Assembly awaiting referral to a policy committee; the current version of the bill is the May 18, 2023 amended version. Bureau staff will provide updates on the status of the legislation at the June 14, 2023 Council meeting.

### Current Provisions in the Bill:

- All programs
  - Sunset date extension for the Bureau to 2028
- EAR
  - The Bureau must conduct at least two spot check inspections of EAR service dealers each year (please note, the Bureau currently conducts hundreds of spot check inspections of service dealers each year)
  - Automatic cancelation of an EAR registration after it has had an expired status for six years
- HHM
  - Removal of business-related financial requirements for HHM applicants

### Outstanding Issues from Sunset Report Not Currently in the Bill:

- All programs
  - Consolidating the Bureau’s three operating funds into one fund
  - Increasing fees for EAR and HFTI registrants and licensees and requiring HHM applicants to separately pay for fingerprinting and exam fees
  - Fee for business name change requests
  - Inclusion of LLCs as a permissible business type
- EAR
  - Updated definition of EAR legal terms
- HFTI
  - Removal of flame-retardant chemical document requirements
  - Removal of cap on the Bureau’s cost recovery for product testing and inspections
  - Update to the statewide withhold from sale program

- HHM
  - Clarifying language that interstate movers using California roads must have a California permit
  - Allowing out-of-state movers to have an alternate means to apply without California residency
  - Automatic suspension of permittees who do not maintain proper insurance coverage or pay quarterly fees

Issues that will not Move Forward at this Time:

- EAR
  - Fingerprinting requirements for service dealers

AMENDED IN SENATE MAY 18, 2023

AMENDED IN SENATE APRIL 27, 2023

**SENATE BILL**

**No. 814**

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**Introduced by Senator Roth**

(Principal coauthor: Assembly Member Berman)

February 17, 2023

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An act to amend Sections 9810, 9812, 9812.5, 9814, 9814.5, 9830.5, 9832.5, 9847.5, 9849, 9851, 9853, 9855.9, 9860, 9862.5, 9863, 9873, and 19239 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 814, as amended, Roth. Household goods and ~~services: household movers: services.~~

(1) Existing law, the Electronic and Appliance Repair Dealer Registration Law, establishes the Bureau of Household Goods and Services, under the direction of a chief who is responsible to the Director of Consumer Affairs, and provides for the licensure and regulation of, among others, electronic and appliance repair dealers *and service contractors* by the bureau. ~~Existing~~ Existing law repeals those provisions relating to service contractors on January 1, 2024.

*This bill would extend operation of those provisions relating to service contractors until January 1, 2028. Because a violation of those provisions is a crime, the bill would impose a state-mandated local program.*

*Existing law requires the director, on their own initiative, to conduct spot check investigations of service dealers of specified electronics and appliances throughout the state on a continuous basis.*

This bill would require the director to conduct spot check investigations, as described above, no less than twice per year.

Existing law requires the director to distribute to each registered service dealer and each registered service contractor copies of these provisions and of the regulations adopted under these provisions.

This bill would authorize the director to, alternatively, make those provisions and regulations available on its internet website.

Under existing law, registration under the Electronic and Appliance Repair Dealer Registration Law expires no more than 12 months after the issue date. Existing law provides for the renewal of both unexpired and expired registrations, as specified.

This bill would authorize the bureau to impose conditions on the renewal of an expired registration of a service contractor. The bill would cancel a registration of a service contractor that has not been renewed within 6 years of its issuance and would authorize a holder of a canceled registration to submit a new application for reissuance or reinstatement of the registration if specified requirements are met.

(2) Existing law, the Household Movers Act, provides for the licensure and regulation of household movers by the Division of Household Movers established within the bureau. Existing law requires the bureau to issue a permit only to those applicants who it finds have demonstrated that they possess sufficient knowledge, ability, integrity, and financial resources and responsibility to perform the service within the scope of their application.

This bill would delete that requirement.

*(3) Existing law subjects the powers and duties of the bureau to review by the appropriate policy committees of the Legislature and requires this review to be performed as if the laws administered by the bureau were scheduled to be repealed on January 1, 2024.*

*This bill would instead require this review to be performed as if those laws were scheduled to be repealed on January 1, 2028.*

*(4) 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: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.



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

1     *SECTION 1. Section 9810 of the Business and Professions*  
2     *Code is amended to read:*

3     9810. (a) (1) There is in the Department of Consumer Affairs  
4     a Bureau of Household Goods and Services, under the supervision  
5     and control of the director. The director shall administer and  
6     enforce the provisions of this chapter and Chapter 3 (commencing  
7     with Section 19000) and Chapter 3.1 (commencing with Section  
8     19225) of Division 8.

9     (2) There is a Division of Household Movers within the bureau  
10    for purposes of administering Chapter 3.1 (commencing with  
11    Section 19225) of Division 8. The Division of Household Movers  
12    shall be overseen by the chief of the bureau.

13    (b) The Governor shall appoint, subject to confirmation by the  
14    Senate, a chief of the bureau at a salary to be fixed and determined  
15    by the director with the approval of the Director of Finance. The  
16    chief shall serve under the direction and supervision of the director  
17    and at the pleasure of the Governor.

18    (c) Every power granted to or duty imposed upon the director  
19    under this chapter and Chapter 3 (commencing with Section 19000)  
20    and Chapter 3.1 (commencing with Section 19225) of Division 8  
21    may be exercised or performed in the name of the director by a  
22    deputy or assistant director or by the chief, subject to conditions  
23    and limitations that the director may prescribe.

24    (d) Whenever the laws of this state refer to the Bureau of  
25    Electronic Repair Dealer Registration or the Bureau of Electronic  
26    and Appliance Repair, the reference shall be construed to be to the  
27    Bureau of Household Goods and Services.

28    (e) Notwithstanding any other law, the powers and duties of the  
29    Bureau of Household Goods and Services, as set forth in this  
30    chapter and Chapter 3 (commencing with Section 19000) and  
31    Chapter 3.1 (commencing with Section 19225) of Division 8, shall  
32    be subject to review by the appropriate policy committees of the  
33    Legislature. The review shall be performed as if this chapter and  
34    Chapter 3 (commencing with Section 19000) and Chapter 3.1  
35    (commencing with Section 19225) of Division 8 were scheduled  
36    to be repealed on January 1, ~~2024~~. 2028.

1 SECTION 1.

2 SEC. 2. Section 9812 of the Business and Professions Code is  
3 amended to read:

4 9812. The director shall gather evidence of violations of this  
5 chapter and of any regulation established hereunder, by any service  
6 dealer, whether registered or not, and by any employee, partner,  
7 officer, or member of any service dealer. The director shall, on  
8 their own initiative, conduct spot check investigations of service  
9 dealers throughout the state on a continuous basis, but no less than  
10 twice per year.

11 SEC. 3. *Section 9812.5 of the Business and Professions Code*  
12 *is amended to read:*

13 9812.5. The director shall gather evidence of violations of this  
14 chapter and of any regulation established hereunder by any service  
15 contractor, whether registered or not, and by any employee, partner,  
16 officer, or member of any service contractor. The director shall,  
17 on their own initiative, conduct spot check investigations of service  
18 contractors throughout the state on a continuous basis.

19 This section shall remain in effect only until January 1, ~~2024,~~  
20 2028, and as of that date is repealed.

21 ~~SEC. 2.~~

22 SEC. 4. Section 9814 of the Business and Professions Code is  
23 amended to read:

24 9814. The director may establish and enforce regulations as  
25 may be reasonable for the conduct of service dealers and for the  
26 general enforcement of the various provisions of this chapter in  
27 the protection of the public. The director may, by regulation, define  
28 the scope of the terms described in subdivisions (g) to (q),  
29 inclusive, of Section 9801 to include items of the same general  
30 nature or class as those enumerated therein. The director shall  
31 either make available on its internet website or distribute to each  
32 registered service dealer copies of this chapter and of the  
33 regulations thereunder. These regulations shall be adopted,  
34 amended, or repealed in accordance with the provisions of Chapter  
35 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
36 Title 2 of the Government Code.

37 ~~SEC. 3.~~

38 SEC. 5. Section 9814.5 of the Business and Professions Code  
39 is amended to read:

1 9814.5. The director may establish and enforce reasonable  
2 regulations for the conduct of service contractors, and for the  
3 general enforcement of the various provisions of this chapter in  
4 the protection of the public. The director shall either make available  
5 on its internet website or distribute to each registered service  
6 contractor copies of this chapter and of the regulations adopted  
7 under this chapter. Regulations shall be adopted, amended, or  
8 repealed in accordance with Chapter 3.5 (commencing with Section  
9 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

10 *SEC. 6. Section 9830.5 of the Business and Professions Code*  
11 *is amended to read:*

12 9830.5. (a) Each service contractor shall pay the fee required  
13 by this chapter for each place of business operated by them in this  
14 state and shall register with the bureau upon forms prescribed by  
15 the director. The forms shall contain sufficient information to  
16 identify the service contractor, including name, address, retail  
17 seller's permit number, if a permit is required under the Sales and  
18 Use Tax Law (Part 1 (commencing with Section 6001) of Division  
19 2 of the Revenue and Taxation Code), a copy of the certificate of  
20 qualification as filed with the Secretary of State if the service  
21 contractor is a foreign corporation, and other identifying data to  
22 be prescribed by the bureau. If the business is to be carried on  
23 under a fictitious name, that fictitious name shall be stated. If the  
24 service contractor is a partnership, identifying data shall be stated  
25 for each partner. If the service contractor is a private company that  
26 does not file an annual report on Form 10-K with the Securities  
27 and Exchange Commission, data shall be included for each of the  
28 officers and directors of the company as well as for the individual  
29 in charge of each place of the service contractor's business in the  
30 State of California, subject to any regulations the director may  
31 adopt. If the service contractor is a publicly held corporation or a  
32 private company that files an annual report on Form 10-K with  
33 the Securities and Exchange Commission, it shall be sufficient for  
34 purposes of providing data for each of the officers and directors  
35 of the corporation or company to file with the director the most  
36 recent annual report on Form 10-K that is filed with the Securities  
37 and Exchange Commission.

38 (b) A service contractor who does not operate a place of business  
39 in this state but who sells, issues, or administers service contracts  
40 in this state, shall hold a valid registration issued by the bureau

1 and shall pay the registration fee required by this chapter as if they  
2 had a place of business in this state.

3 (c) This section shall remain in effect only until January 1, ~~2024,~~  
4 ~~2028,~~ and as of that date is repealed.

5 ~~SEC. 4.~~

6 *SEC. 7.* Section 9832.5 of the Business and Professions Code  
7 is amended to read:

8 9832.5. (a) Registrations issued under this chapter shall expire  
9 no more than 12 months after the issue date. The expiration date  
10 of registrations shall be set by the director in a manner to best  
11 distribute renewal procedures throughout the year.

12 (b) To renew an unexpired registration, the service contractor  
13 shall, on or before the expiration date of the registration, apply for  
14 renewal on a form prescribed by the director, and pay the renewal  
15 fee prescribed by this chapter.

16 (c) To renew an expired registration, the service contractor shall  
17 apply for renewal on a form prescribed by the director, pay the  
18 renewal fee in effect on the last regular renewal date, and pay all  
19 accrued and unpaid delinquency and renewal fees. The bureau  
20 may impose conditions on a registration issued pursuant to this  
21 subdivision.

22 (d) Renewal is effective on the date that the application is filed,  
23 the renewal fee is paid, and all delinquency fees are paid.

24 (e) For purposes of implementing the distribution of the renewal  
25 of registrations throughout the year, the director may extend, by  
26 not more than six months, the date fixed by law for renewal of a  
27 registration, except that, in that event, any renewal fee that may  
28 be involved shall be prorated in such a manner that no person shall  
29 be required to pay a greater or lesser fee than would have been  
30 required had the change in renewal dates not occurred.

31 (f) A registration that is not renewed within six years of its  
32 expiration shall be canceled, but if the holder of the registration  
33 submits a new application and meets all of the following  
34 requirements, the registration may be reissued or reinstated:

35 (1) No fact, circumstance, or condition exists which would  
36 justify denial of registration under Section 480.

37 (2) The registrant pays all renewal, delinquency, and penalty  
38 fees that have accrued since the date on which the registration was  
39 last renewed.

1 (g) This section shall remain in effect only until January 1, ~~2024~~,  
2 2028, and as of that date is repealed.

3 *SEC. 8. Section 9847.5 of the Business and Professions Code*  
4 *is amended to read:*

5 9847.5. (a) Each service contractor shall maintain those records  
6 as are required by the regulations adopted to carry out the  
7 provisions of this chapter for a period of at least three years. These  
8 records shall be open for reasonable inspection by the director or  
9 other law enforcement officials.

10 (b) This section shall remain in effect only until January 1, ~~2024~~,  
11 2028, and as of that date is repealed.

12 *SEC. 9. Section 9849 of the Business and Professions Code,*  
13 *as amended by Section 81 of Chapter 625 of the Statutes of 2022,*  
14 *is amended to read:*

15 9849. (a) The expiration of a valid registration shall not deprive  
16 the director of jurisdiction to proceed with any investigation or  
17 hearing on a cease and desist order against a service dealer or  
18 service contractor or to render a decision to suspend, revoke, or  
19 place on probation a registration.

20 (b) This section shall remain in effect only until January 1, ~~2024~~,  
21 2028, and as of that date is repealed.

22 *SEC. 10. Section 9849 of the Business and Professions Code,*  
23 *as amended by Section 82 of Chapter 625 of the Statutes of 2022,*  
24 *is amended to read:*

25 9849. (a) The expiration of a valid registration shall not deprive  
26 the director of jurisdiction to proceed with any investigation or  
27 hearing on a cease and desist order against a service dealer or to  
28 render a decision to suspend, revoke, or place on probation a  
29 registration.

30 (b) This section shall become operative on January 1, ~~2024~~.  
31 2028.

32 *SEC. 11. Section 9851 of the Business and Professions Code,*  
33 *as amended by Section 83 of Chapter 625 of the Statutes of 2022,*  
34 *is amended to read:*

35 9851. (a) The superior court in and for the county wherein any  
36 person carries on, or attempts to carry on, business as a service  
37 dealer or service contractor in violation of the provisions of this  
38 chapter, or any regulation thereunder, shall, on application of the  
39 director, issue an injunction or other appropriate order restraining  
40 that conduct.

1 (b) The proceedings under this section shall be governed by  
 2 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of  
 3 the Code of Civil Procedure, except that the director shall not be  
 4 required to allege facts necessary to show or tending to show lack  
 5 of an adequate remedy at law or irreparable injury.

6 (c) This section shall remain in effect only until January 1, ~~2024,~~  
 7 2028, and as of that date is repealed.

8 *SEC. 12. Section 9851 of the Business and Professions Code,*  
 9 *as amended by Section 84 of Chapter 625 of the Statutes of 2022,*  
 10 *is amended to read:*

11 9851. (a) The superior court in and for the county wherein any  
 12 person carries on, or attempts to carry on, business as a service  
 13 dealer in violation of the provisions of this chapter, or any  
 14 regulation thereunder, shall, on application of the director, issue  
 15 an injunction or other appropriate order restraining that conduct.

16 (b) The proceedings under this section shall be governed by  
 17 Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of  
 18 the Code of Civil Procedure, except that the director shall not be  
 19 required to allege facts necessary to show or tending to show lack  
 20 of an adequate remedy at law or irreparable injury.

21 (c) This section shall become operative on January 1, ~~2024,~~  
 22 2028.

23 *SEC. 13. Section 9853 of the Business and Professions Code,*  
 24 *as amended by Section 85 of Chapter 625 of the Statutes of 2022,*  
 25 *is amended to read:*

26 9853. (a) A plea or verdict of guilty or a conviction following  
 27 a plea of nolo contendere made to a charge substantially related  
 28 to the qualifications, functions, and duties of a service dealer or  
 29 service contractor is deemed to be a conviction within the meaning  
 30 of this article. The director may suspend, revoke, or place on  
 31 probation a registration, or may deny registration, when the time  
 32 for appeal has elapsed, or the judgment of conviction has been  
 33 affirmed on appeal or when an order granting probation is made  
 34 suspending the imposition of sentence, irrespective of a subsequent  
 35 order under Section 1203.4 of the Penal Code, allowing that person  
 36 to withdraw their plea of guilty and to enter a plea of not guilty,  
 37 or setting aside the verdict of guilty, or dismissing the accusation,  
 38 information, or indictment.

39 (b) This section shall remain in effect only until January 1, ~~2024,~~  
 40 2028, and as of that date is repealed.

1     *SEC. 14. Section 9853 of the Business and Professions Code,*  
2     *as amended by Section 86 of Chapter 625 of the Statutes of 2022,*  
3     *is amended to read:*

4     9853. (a) A plea or verdict of guilty or a conviction following  
5     a plea of nolo contendere made to a charge substantially related  
6     to the qualifications, functions, and duties of a service dealer is  
7     deemed to be a conviction within the meaning of this article. The  
8     director may suspend, revoke, or place on probation a registration,  
9     or may deny registration, when the time for appeal has elapsed, or  
10    the judgment of conviction has been affirmed on appeal or when  
11    an order granting probation is made suspending the imposition of  
12    sentence, irrespective of a subsequent order under Section 1203.4  
13    of the Penal Code allowing that person to withdraw their plea of  
14    guilty and to enter a plea of not guilty, or setting aside the verdict  
15    of guilty, or dismissing the accusation, information, or indictment.

16    (b) This section shall become operative January 1, ~~2024~~. 2028.

17    *SEC. 15. Section 9855.9 of the Business and Professions Code*  
18    *is amended to read:*

19    9855.9. This article shall remain in effect only until January  
20    1, ~~2024~~, 2028, and as of that date is repealed.

21    *SEC. 16. Section 9860 of the Business and Professions Code,*  
22    *as amended by Section 88 of Chapter 625 of the Statutes of 2022,*  
23    *is amended to read:*

24    9860. (a) The director shall establish procedures for accepting  
25    complaints from the public against any service dealer or service  
26    contractor.

27    (b) This section shall remain in effect only until January 1, ~~2024~~,  
28    2028, and as of that date is repealed.

29    *SEC. 17. Section 9860 of the Business and Professions Code,*  
30    *as amended by Section 89 of Chapter 625 of the Statutes of 2022,*  
31    *is amended to read:*

32    9860. (a) The director shall establish procedures for accepting  
33    complaints from the public against any service dealer.

34    (b) This section shall become operative on January 1, ~~2024~~.  
35    2028.

36    *SEC. 18. Section 9862.5 of the Business and Professions Code*  
37    *is amended to read:*

38    9862.5. (a) If a complaint indicates a possible violation of this  
39    chapter or of the regulations adopted pursuant to this chapter, the  
40    director may advise the service contractor of the contents of the

1 complaint and, if the service contractor is so advised, the director  
2 shall make a summary investigation of the facts after the service  
3 contractor has had reasonable opportunity to reply thereto.

4 (b) This section shall remain in effect only until January 1, ~~2024~~,  
5 2028, and as of that date is repealed.

6 *SEC. 19. Section 9863 of the Business and Professions Code,*  
7 *as amended by Section 91 of Chapter 625 of the Statutes of 2022,*  
8 *is amended to read:*

9 9863. (a) If, upon summary investigation, it appears probable  
10 to the director that a violation of this chapter, or the regulations  
11 thereunder, has occurred, the director, in their discretion, may  
12 suggest measures that in the director's judgment would compensate  
13 the complainant for the damages they suffered as a result of the  
14 alleged violation. If the service dealer or service contractor accepts  
15 the director's suggestions and performs accordingly, the director  
16 shall give that fact due consideration in any subsequent disciplinary  
17 proceeding. If the service dealer or service contractor declines to  
18 abide by the suggestions of the director, the director may  
19 investigate further and may institute disciplinary proceedings in  
20 accordance with the provisions of this chapter.

21 (b) This section shall remain in effect only until January 1, ~~2024~~,  
22 2028, and as of that date is repealed.

23 *SEC. 20. Section 9863 of the Business and Professions Code,*  
24 *as amended by Section 92 of Chapter 625 of the Statutes of 2022,*  
25 *is amended to read:*

26 9863. (a) If, upon summary investigation, it appears probable  
27 to the director that a violation of this chapter, or the regulations  
28 thereunder, has occurred, the director, in their discretion, may  
29 suggest measures that in the director's judgment would compensate  
30 the complainant for the damages they suffered as a result of the  
31 alleged violation. If the service dealer accepts the director's  
32 suggestions and performs accordingly, the director shall give that  
33 fact due consideration in any subsequent disciplinary proceeding.  
34 If the service dealer declines to abide by the suggestions of the  
35 director, the director may investigate further and may institute  
36 disciplinary proceedings in accordance with the provisions of this  
37 chapter.

38 (b) This section shall become operative on January 1, ~~2024~~.  
39 2028.



1     *SEC. 21. Section 9873 of the Business and Professions Code,*  
2 *as amended by Section 93 of Chapter 625 of the Statutes of 2022,*  
3 *is amended to read:*

4     9873. The fees prescribed by this chapter shall be set by the  
5 director by regulation, according to the following schedule:

6     (a) (1) The initial registration fee for an electronic repair  
7 industry service dealer or for an appliance repair industry service  
8 dealer is not more than two hundred five dollars (\$205) for each  
9 place of business in this state. The initial registration fee for a  
10 service contractor is not more than ninety-five dollars (\$95) for  
11 each place of business in this state.

12     (2) The initial registration fee for a person who engages in  
13 business as both an electronic repair industry service dealer and  
14 an appliance repair industry service dealer is not more than four  
15 hundred five dollars (\$405) for each place of business in this state.  
16 The initial registration fee for a person who is a service contractor  
17 and engages in business as either an electronic repair industry  
18 service dealer or an appliance repair industry service dealer is not  
19 more than three hundred dollars (\$300) for each place of business  
20 in this state.

21     (3) The initial registration fee for a person who engages in both  
22 the electronic repair industry and the appliance repair industry as  
23 a service dealer and is a service contractor is not more than five  
24 hundred dollars (\$500) for each place of business in this state.

25     (4) A service dealer or service contractor who does not operate  
26 a place of business in this state, but engages in the electronic repair  
27 industry or the appliance repair industry, or sells, issues, or  
28 administers service contracts in this state, shall pay the registration  
29 fee specified herein as if that service dealer or service contractor  
30 had a place of business in this state.

31     (b) (1) The annual registration renewal fee for an electronic  
32 repair industry service dealer or for an appliance repair industry  
33 service dealer is not more than two hundred five dollars (\$205)  
34 for each place of business in this state, if renewed prior to its  
35 expiration date. The annual registration renewal fee for a service  
36 contractor is ninety-five dollars (\$95) for each place of business  
37 in this state, if renewed prior to its expiration date.

38     (2) The annual renewal fee for a service dealer who engages in  
39 the business as both an electronic repair industry service dealer

1 and an appliance repair industry service dealer is not more than  
2 four hundred dollars (\$400) for each place of business in this state.

3 (3) The annual renewal fee for a service dealer who engages in  
4 the electronic repair industry and the appliance repair industry and  
5 is a service contractor is not more than four hundred seventy-five  
6 dollars (\$475) for each place of business in this state.

7 (4) A service dealer or service contractor who does not operate  
8 a place of business in this state, but who engages in the electronic  
9 repair industry or the appliance repair industry, or sells or issues  
10 service contracts in this state, shall pay the renewal fee specified  
11 herein as if that service dealer or service contractor had a place of  
12 business in this state.

13 (c) The delinquency fee is an amount equal to 50 percent of the  
14 renewal fee for a license in effect on the date of renewal of the  
15 license, except as otherwise provided in Section 163.5.

16 (d) This section shall remain in effect only until January 1,  
17 ~~2024~~, 2028, and as of that date is repealed.

18 *SEC. 22. Section 9873 of the Business and Professions Code,*  
19 *as amended by Section 94 of Chapter 625 of the Statutes of 2022,*  
20 *is amended to read:*

21 9873. The fees prescribed by this chapter shall be set by the  
22 director by regulation, according to the following schedule:

23 (a) The initial registration fee for an electronic repair industry  
24 service dealer or for an appliance repair industry service dealer is  
25 not more than two hundred five dollars (\$205) for each place of  
26 business in this state. The initial registration fee for a person who  
27 engages in business as both an electronic repair industry service  
28 dealer and an appliance repair industry service dealer is not more  
29 than four hundred five dollars (\$405).

30 (b) The annual registration renewal fee for an electronic repair  
31 industry service dealer or for an appliance repair industry service  
32 dealer is not more than two hundred five dollars (\$205) for each  
33 place of business in this state, if renewed prior to its expiration  
34 date. The annual renewal fee for a service dealer who engages in  
35 the business as both an electronic repair industry service dealer  
36 and an appliance repair industry service dealer is not more than  
37 four hundred dollars (\$400).

38 (c) The delinquency fee is an amount equal to 50 percent of the  
39 renewal fee for a license in effect on the date of renewal of the  
40 license, except as otherwise provided in Section 163.5.

1 (d) This section shall become operative on January 1, ~~2024~~.  
2 2028.

3 ~~SEC. 5.~~

4 *SEC. 23.* Section 19239 of the Business and Professions Code  
5 is amended to read:

6 19239. (a) Before a permit is issued, the bureau shall require  
7 the applicant to establish ability and reasonable financial  
8 responsibility to initiate the proposed operations. The bureau shall  
9 require the applicant to establish their knowledge and ability to  
10 engage in business as a household mover by examination. The  
11 examination may be written or oral, or in the form of a  
12 demonstration of skill, or any combination of these, and any  
13 investigation of character, experience, and any tests of technical  
14 knowledge and manual skill that the bureau determines to be  
15 appropriate may be employed. In any examination, the qualification  
16 of the applicant shall be determined by an appraisal made by a  
17 member of the bureau's staff. The criteria used by the bureau staff  
18 in making the required appraisal to determine whether the applicant  
19 has met the qualifications shall be established by the bureau by  
20 rule or regulation, in accordance with the provisions of Chapter  
21 3.5 (commencing with Section 11340) of Part 1 of Division 3 of  
22 Title 2 of the Government Code. An applicant who has been  
23 determined to be unqualified may establish their qualifications  
24 through a subsequent examination, but no subsequent examination  
25 shall be taken prior to 30 days from the date when the applicant  
26 was found to be unqualified. If the staff member determines that  
27 the applicant is not qualified and denies the application, the bureau  
28 shall notify the applicant in writing. Within 30 days of service of  
29 the notice, the applicant may file a written request with the bureau  
30 for a hearing on the denial. Upon receipt of a timely filed request,  
31 the bureau shall request that the matter be set for a hearing. The  
32 hearing shall be conducted in accordance with Chapter 5  
33 (commencing with Section 11500) of Part 1 of Division 3 of Title  
34 2 of the Government Code, and the director shall have all the  
35 powers granted therein. If the staff member determines that the  
36 applicant is qualified, the bureau may issue a permit without a  
37 hearing.

38 (b) An applicant may qualify in one of the following ways:

39 (1) If an individual, they may qualify by personal examination  
40 or by examination of their responsible managing employee.

1 (2) If a copartnership or corporation, or any other type of  
2 business organization, it may qualify by examination of the  
3 responsible managing officer, an employee who works at least 32  
4 hours per week, or a partner of the applicant firm.

5 (c) If the individual qualified by examination ceases to be  
6 connected with the permitholder, the permitholder shall notify the  
7 bureau in writing within 30 days after the cessation. If notice is  
8 given, the permit shall remain in force a reasonable length of time  
9 in order that another representative of the applicant may be  
10 qualified before the bureau. If the permitholder fails to notify the  
11 bureau of the cessation within a 30-day period, at the end of that  
12 period the permit shall be automatically suspended.

13 (d) Each applicant for a permit shall electronically submit to  
14 the Department of Justice fingerprint images and related  
15 information required by the Department of Justice for each owner,  
16 partner, officer, and director as a prerequisite to the issuance of a  
17 permit to operate as a household mover. The fingerprint images  
18 and related information shall be submitted for the purpose of  
19 obtaining information as to the existence and content of a record  
20 of state or federal convictions and arrests, and information as to  
21 the existence and content of a record of state or federal convictions  
22 and arrests for which the Department of Justice establishes that  
23 the person is free on bail or on their own recognizance, pending  
24 trial or appeal.

25 (1) The Department of Justice shall provide a response to the  
26 bureau pursuant to paragraph (1) of subdivision (p) of Section  
27 11105 of the Penal Code.

28 (2) The bureau shall request from the Department of Justice  
29 subsequent notification service, as provided pursuant to Section  
30 11105.2 of the Penal Code, for applicants.

31 (3) The Department of Justice shall charge the applicant a fee  
32 sufficient to cover the reasonable cost of processing the requests  
33 described in this subdivision.

34 (e) The bureau may require, as a precondition to the issuance  
35 of a permit, the procurement of a performance bond sufficient to  
36 facilitate the collection of fines, penalties, and restitution related  
37 to enforcement actions that can be taken against the applicant.

38 (f) The bureau may refuse to issue a permit if it is shown that  
39 an applicant or an officer, director, partner, or associate of an  
40 applicant has committed any act constituting dishonesty or fraud;

1 committed any act that, if committed by a permit holder, would be  
2 grounds for a suspension or revocation of the permit;  
3 misrepresented any material fact on the application; or, was  
4 convicted of an offense that is substantially related to the  
5 qualifications, functions, or duties of the business or profession,  
6 except that if the bureau determines that the applicant is otherwise  
7 suitable to be issued a permit, and granting the permit would not  
8 compromise public safety, the bureau shall conduct a thorough  
9 review of the nature of the crime, conviction, circumstances, and  
10 evidence of rehabilitation of the applicant, and shall evaluate the  
11 suitability of the applicant to be issued a permit based on the  
12 evidence found through the review.

13 (g) A permit shall not be issued unless it has been shown that  
14 the applicant meets one of the following residence requirements:

15 (1) For an individual, the applicant shall have resided in the  
16 State of California for not less than 90 days next preceding the  
17 filing of the application.

18 (2) For a partnership, the partner having the largest percentage  
19 interest in the partnership shall have resided in the State of  
20 California continuously for not less than 90 days next preceding  
21 the filing of the application.

22 (3) For a corporation, the applicant shall be a domestic  
23 corporation or shall be qualified to transact business in the State  
24 of California as a foreign corporation at the time of filing the  
25 application.

26 (h) The bureau shall prescribe, amend, and repeal rules in  
27 accordance with law for the administration of this section.

28 (i) If the bureau denies an application, the bureau shall notify  
29 the applicant in writing. Within 30 days of service of the notice,  
30 the applicant may file a written request with the bureau for a  
31 hearing on the denial. Upon receipt of a timely filed request, the  
32 bureau shall request that the matter be set for hearing. The hearing  
33 shall be conducted in accordance with Chapter 5 (commencing  
34 with Section 11500) of Part 1 of Division 3 of Title 2 of the  
35 Government Code, and the director shall have all the powers  
36 granted therein.

37 *SEC. 24. No reimbursement is required by this act pursuant*  
38 *to Section 6 of Article XIII B of the California Constitution because*  
39 *the only costs that may be incurred by a local agency or school*  
40 *district will be incurred because this act creates a new crime or*

1 *infraction, eliminates a crime or infraction, or changes the penalty*  
2 *for a crime or infraction, within the meaning of Section 17556 of*  
3 *the Government Code, or changes the definition of a crime within*  
4 *the meaning of Section 6 of Article XIII B of the California*  
5 *Constitution.*

O

## AGENDA ITEM 7-e

Upholstered Furniture and Bedding  
Law Label Regulatory Proposal

## Background

Throughout 2022, the Bureau sought stakeholder feedback about updates to its furniture and bedding labeling requirements and, following feedback from the Advisory Council at the June 2022 meeting, submitted proposed changes to the regulatory language to the Department of Consumer Affairs in Fall 2022.

In April 2023, the staff from the Bureau attended the International Association of Bedding and Furniture Labeling Officials annual meeting and is seeking additional feedback from advisory council members, the public, and other stakeholders on several concepts raised during that meeting below:

1. Should the flammability statement be updated? Should the federal flammability statement be incorporated into one comprehensive flammability statement?

<p>NOTICE</p> <p>THIS ARTICLE MEETS THE FLAMMABILITY REQUIREMENTS OF CALIFORNIA <del>BUREAU OF HOUSEHOLD GOODS AND SERVICES</del> TECHNICAL BULLETIN 117-2013. <del>CARE SHOULD BE EXERCISED NEAR OPEN FLAME OR WITH BURNING CIGARETTES.</del></p> <p>THE UPHOLSTERY MATERIALS IN THIS PRODUCT:</p> <p>___ CONTAIN ADDED FLAME RETARDANT CHEMICALS  <u>X</u> CONTAIN NO ADDED FLAME RETARDANT CHEMICALS</p> <p>THE STATE OF CALIFORNIA HAS UPDATED THE FLAMMABILITY STANDARD AND DETERMINED THAT THE FIRE SAFETY REQUIREMENTS FOR THIS PRODUCT CAN BE MET WITHOUT ADDING FLAME RETARDANT CHEMICALS. THE STATE HAS IDENTIFIED MANY FLAME RETARDANT CHEMICALS AS BEING KNOWN TO, OR STRONGLY SUSPECTED OF, ADVERSELY IMPACTING HUMAN HEALTH OR DEVELOPMENT.</p> <hr/> <p>COMPLIES WITH U.S. CPSC REQUIREMENTS FOR UPHOLSTERED FURNITURE FLAMMABILITY</p>
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2. Under what circumstances should detachable cushions be considered one article in California? What explicit statements should appear on the label?
3. For products sold in boxes or online: Should the label be placed on the box or available online to download? California regulations require that the label be "easily visible."



4. Should the Bureau be explicit about what violations on finish size requirements will result in an enforcement action?
- Major Failure = Citation (see chart below)
  - Before implementation of this standard, the Bureau will post a technical bulletin on its website and send an email via listserv to affect parties

	<b>Moderate</b>	<b>Major</b>
TB33 (Mattress, Futon, Mattress Pad)	+1 inch	+2 inches /-1 inch
TB47: Comforters	+1 inch	+3 inches /-1 inch
TB39: Bed Pillows	+1 inch	+1.5 inches/-1 inch
TB48/54: Sleeping Bags	+1 inch	+2 inches/-1 inch

5. Should the Bureau remove the use of the term “sleeping pad” from its regulations?
- California would continue to define “mattress pad” using the language in the Bureau’s proposed regulatory changes: “Mattress pad and mattress topper shall mean a flat mat or cushion, and/or ticking filled with resilient material for the use on top of a mattress. This definition includes, but is not limited to, absorbent mattress pads, flat pads, and convoluted foam pads which have at least one side covered in ticking.”
6. Should the Bureau update requirements on using terms related to the use of plastic in furniture, some examples include the following:
- Should we use “Polyester” v. PETG?
  - Is the use of the term “plastic beads” acceptable on the label? Is the use of the term “polystyrene” acceptable?
  - Should the Bureau require the use of chemical names?
  - What helps consumers more?
7. Should California allow any information in the “Other Information” section of the lab?

## AGENDA ITEM 7-f

AB 1059 (Friedman, 2023)

Product Safety: Consumer Products: Fiberglass



AMENDED IN ASSEMBLY APRIL 11, 2023

AMENDED IN ASSEMBLY APRIL 10, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1059**

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**Introduced by Assembly Member Friedman**

February 15, 2023

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An act to amend Sections 19101 and 19103 of, and to add Section 19101.5 to, the Business and Professions Code, relating to product safety.

LEGISLATIVE COUNSEL'S DIGEST

AB 1059, as amended, Friedman. Product safety: consumer products: fiberglass and covered flame retardant chemicals.

Existing law, the Home Furnishings and Thermal Insulation Act, establishes the Bureau of Household Goods and Services to license and regulate persons engaged in businesses relating to upholstered furniture, bedding and filling materials, and insulation, including juvenile products and mattresses. A violation of the act is a misdemeanor.

Existing law prohibits a person from selling or distributing in commerce in this state any new, not previously owned juvenile products, mattresses, or upholstered furniture that contains covered flame retardant chemicals at specified levels, and prohibits a custom upholsterer from repairing, reupholstering, recovering, restoring, or renewing upholstered or reupholstered furniture using replacement components that contain covered flame retardant chemicals at specified levels. Existing law exempts from those requirements components of adult mattresses other than foam.

This bill would make that exemption inoperative on January 1, 2027.

Existing law requires the bureau to provide the Department of Toxic Substances Control with samples from products regulated under the act to test for compliance with the provisions limiting the amount of covered flame retardant chemicals in specified products regulated under the act. Existing law authorizes the bureau to assess a fine if the department's testing shows a violation of that provision or if a person continues to sell or distribute products in commerce in this state belonging to the same stock keeping unit as noncompliant products, as specified. Existing law requires the bureau to take specified other actions in that regard, including posting citations issued on the bureau's internet website and receiving complaints from consumers concerning juvenile products, upholstered furniture, or reupholstered furniture regulated under the act.

This bill would, on and after January 1, 2027, prohibit a person from manufacturing, selling, offering, or distributing in commerce in the state any new, not previously owned juvenile product, mattress, or upholstered furniture that contains, or a constituent component of which contains, fiberglass. The bill would, on and after January 1, 2027, prohibit a custom upholsterer from repairing, reupholstering, recovering, restoring, or renewing any mattress, juvenile product, upholstered furniture, or reupholstered furniture using a replacement component that contains, or a constituent component of which contains, fiberglass. ~~The bill would make the above-specified provisions requiring the department to test samples applicable to testing for fiberglass and for the bureau to take specified actions in that regard.~~ *authorize the bureau to assess a fine against a person who continues to sell or distribute noncompliant products and to take specified other actions in that regard, including posting citations issued on the bureau's internet website and receiving complaints from consumers.*

Because the bill would expand the scope of a crime under the act, the bill would impose a state-mandated local program.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

1 SECTION 1. Section 19101 of the Business and Professions  
2 Code is amended to read:

3 19101. (a) On or after January 1, 2020, a person, including a  
4 manufacturer, shall not sell or distribute in commerce in this state  
5 any new, not previously owned juvenile products, mattresses, or  
6 upholstered furniture that contains, or a constituent component of  
7 which contains, covered flame retardant chemicals at levels above  
8 1,000 parts per million.

9 (b) On or after January 1, 2020, a custom upholsterer shall not  
10 repair, reupholster, recover, restore, or renew upholstered furniture  
11 or reupholstered furniture using replacement components that  
12 contain covered flame retardant chemicals at levels above 1,000  
13 parts per million.

14 (c) The prohibitions in subdivisions (a) and (b) do not apply to  
15 the following:

16 (1) Electronic components of juvenile products, mattresses,  
17 reupholstered furniture, upholstered furniture, or any associated  
18 casing for those electronic components.

19 (2) Upholstered or reupholstered furniture components other  
20 than those identified in paragraph (1) of subdivision (a) of Section  
21 19094.

22 (3) Thread or fiber when used for stitching mattress components  
23 together.

24 (4) Until January 1, 2027, components of adult mattresses other  
25 than foam. As used in this paragraph, “adult mattresses” means  
26 mattresses other than toddler mattresses, crib mattresses, and other  
27 infant sleep products.

28 SEC. 2. Section 19101.5 is added to the Business and  
29 Professions Code, to read:

30 19101.5. (a) On and after January 1, 2027, a person, including,  
31 but not limited to, a manufacturer, retailer, importer, or online  
32 seller, shall not manufacture, sell, offer, or distribute in commerce  
33 in this state any new, not previously owned juvenile product,  
34 mattress, or upholstered furniture that contains, or a constituent  
35 component of which contains, fiberglass.

36 (b) On and after January 1, 2027, a custom upholsterer shall not  
37 repair, reupholster, recover, restore, or renew any mattress, juvenile  
38 product, upholstered furniture, or reupholstered furniture using a

1 replacement component that contains, or a constituent component  
2 of which contains, fiberglass.

3 (c) For purposes of this section, “fiberglass” means textile yarns  
4 whose composition includes one or more continuous glass filaments  
5 in a form suitable for knitting, weaving, or otherwise intertwining  
6 to form a textile fabric, but excludes the following:

7 (1) Thread or fiber when used for stitching mattress components  
8 together.

9 (2) Yarns in which the glass filaments are corespun or sheathed  
10 by another fiber.

11 SEC. 3. Section 19103 of the Business and Professions Code  
12 is amended to read:

13 19103. (a) The bureau shall enforce and ensure compliance  
14 with Sections 19101 and 19101.5.

15 (b) (1) The bureau shall provide the Department of Toxic  
16 Substances Control with a selection of samples from products  
17 regulated under this article to test for compliance with ~~Sections~~  
18 ~~19101 and 19101.5.~~ *Section 19101*. The bureau shall select samples  
19 based on consultation with the Department of Toxic Substances  
20 Control, taking into account a range of manufacturers and types  
21 of products regulated under this article. The bureau shall integrate  
22 these testing requirements into the existing testing program  
23 described in subdivision (c) of Section 19094.

24 (2) (A) If the Department of Toxic Substances Control’s testing  
25 shows that any reupholstered furniture or new, not previously  
26 owned juvenile products, mattresses, or upholstered furniture is  
27 in violation of ~~Sections 19101 and 19101.5,~~ *Section 19101*, the  
28 bureau may assess fines for violations against manufacturers of  
29 the product for the violation. The bureau shall reimburse the  
30 Department of Toxic Substances Control for the cost of testing for  
31 the presence of covered flame retardant chemicals pursuant to this  
32 article.

33 (B) If a person continues to sell or distribute products in  
34 commerce in this state belonging to the same stock keeping unit  
35 (SKU) as products that do not comply with Sections 19101 and  
36 19101.5, after notice of the violation is posted on the bureau’s  
37 internet website, the bureau may assess fines against the person  
38 for the continued sale or distribution of those products. The bureau  
39 shall make information about any citation issued pursuant to this  
40 section available to the public on its internet website, and shall

1 develop a process for keeping interested persons informed about  
2 updates to notices of violation posted on the bureau's internet  
3 website.

4 (c) A fine for a violation of this section shall be assessed in  
5 accordance with the following schedule:

6 (1) The fine for the first violation shall be not less than one  
7 thousand dollars (\$1,000), but not more than two thousand five  
8 hundred dollars (\$2,500).

9 (2) The fine for the second violation shall be not less than two  
10 thousand five hundred dollars (\$2,500), but not more than five  
11 thousand dollars (\$5,000).

12 (3) The fine for the third violation shall be not less than five  
13 thousand dollars (\$5,000), but not more than seven thousand five  
14 hundred dollars (\$7,500).

15 (4) The fine for any subsequent violation shall be not less than  
16 seven thousand five hundred dollars (\$7,500), but not more than  
17 ten thousand dollars (\$10,000).

18 (d) In determining the amount of the fine for a violation of this  
19 section, the bureau shall consider the following factors:

20 (1) The nature and severity of the violation.

21 (2) The good or bad faith of the cited person.

22 (3) The history of previous violations.

23 (4) Evidence that the violation was willful.

24 (5) The extent to which the cited person or entity has cooperated  
25 with the bureau.

26 (e) (1) The bureau shall adjust all minimum and maximum  
27 fines imposed by this section for inflation every five years.

28 (2) The adjustment shall be equivalent to the percentage, if any,  
29 that the Consumer Price Index at the time of adjustment exceeds  
30 the Consumer Price Index at the time this section goes into effect.  
31 Any increase determined under this paragraph shall be rounded as  
32 follows:

33 (A) In multiples of ten dollars (\$10) in the case of penalties less  
34 than or equal to one hundred dollars (\$100).

35 (B) In multiples of one hundred dollars (\$100) in the case of  
36 penalties greater than one hundred dollars (\$100), but less than or  
37 equal to one thousand dollars (\$1,000).

38 (C) In multiples of one thousand dollars (\$1,000) in the case of  
39 penalties greater than one thousand dollars (\$1,000).

1 (f) The bureau shall receive complaints from consumers  
2 concerning products regulated by this article sold in this state.

3 SEC. 4. If the Commission on State Mandates determines that  
4 this act contains costs mandated by the state, reimbursement to  
5 local agencies and school districts for those costs shall be made  
6 pursuant to Part 7 (commencing with Section 17500) of Division  
7 4 of Title 2 of the Government Code.

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## AGENDA ITEM 7-g

SB 244 (Eggman) – Right to Repair Act



AMENDED IN SENATE MAY 18, 2023  
AMENDED IN SENATE APRIL 13, 2023  
AMENDED IN SENATE MARCH 27, 2023

**SENATE BILL**

**No. 244**

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**Introduced by Senator Eggman**  
**(Coauthors: Senators Dodd and Skinner)**  
(Coauthor: Assembly Member Haney)

January 25, 2023

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An act to amend and renumber the heading of Chapter 8.6 (commencing with Section 42490) of, and to add Chapter 8.6 (commencing with Section 42488) to, Part 3 of Division 30 ~~of~~ of, the Public Resources Code, relating to solid waste management.

LEGISLATIVE COUNSEL'S DIGEST

SB 244, as amended, Eggman. Right to Repair Act.

Existing law, the Song-Beverly Consumer Warranty Act, provides a comprehensive set of procedures for the enforcement of express and implied warranties on consumer goods, as defined. Under existing law, every manufacturer making an express warranty with respect to an electronic or appliance product, including televisions, radios, audio or video recording equipment, major home appliances, antennas, and rotators, with a wholesale price to the retailer of not less than \$50 nor more than \$99.99 is required to make available to service and repair facilities sufficient service literature and functional parts to effect the repair of the product for at least 3 years after the date a product model or type was manufactured, regardless of whether the 3-year period exceeds the warranty period for the product. Existing law also requires every manufacturer making an express warranty with respect to an

electronic or appliance product, as described above, with a wholesale price to the retailer of \$100 or more, to make available to service and repair facilities sufficient service literature and functional parts to effect the repair of the product for at least 7 years after the date a product model or type was manufactured, regardless of whether the 7-year period exceeds the warranty period for the product.

This bill would enact the Right to Repair Act. The bill would require, except as specified and regardless of whether any express warranty is made, the manufacturer of an above-described electronic or appliance product, in the above-described circumstances, and in those same circumstances but sold to others outside of direct retail sales, to make available, on fair and reasonable terms, to product owners, service and repair facilities, and service dealers, the means, as described, to effect the diagnosis, maintenance, or repair of the product, as provided. The bill would also require a service and repair facility or service dealer that is not an authorized facility or dealer of a manufacturer to provide a written notice of that fact to any customer seeking repair of an electronic or appliance product before the repair facility or service dealer repairs the ~~product~~ *product, and to disclose if it uses replacement parts that are used or from a supplier that is not the manufacturer.* The bill would also authorize a city, a county, a city and county, or the state to bring an action in superior court to impose civil penalties on a person or entity for violating the Right to Repair Act, as provided.

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. Chapter 8.6 (commencing with Section 42488)  
2 is added to Part 3 of Division 30 of the Public Resources Code, to  
3 read:

4  
5 CHAPTER 8.6. RIGHT TO REPAIR ACT  
6

7 42488. This chapter shall be known, and may be cited, as the  
8 Right to Repair Act.

9 42488.1. It is the intent of the Legislature to provide a fair  
10 marketplace for the repair of electronic ~~equipment~~ *and appliance*  
11 *products* and to prohibit intentional barriers and limitations to  
12 third-party repair.

1 42488.2. (a) ~~(1)~~ Notwithstanding any other law, every  
2 manufacturer of an electronic or appliance product with a wholesale  
3 price to the retailer, or to others outside of direct retail sale, of not  
4 less than fifty dollars (\$50) and not more than ninety-nine dollars  
5 and ninety-nine cents (\$99.99), shall make available to owners of  
6 the product, service and repair facilities, and service dealers,  
7 sufficient documentation and functional parts and tools, inclusive  
8 of any updates, on fair and reasonable terms, to effect the diagnosis,  
9 maintenance, or repair of a product for at least three years after  
10 the last date a product model or type was manufactured, regardless  
11 of whether the three-year period exceeds the warranty period for  
12 the product.

13 ~~(2) For products with a wholesale price to the retailer, or to~~  
14 ~~others outside of direct retail sale, of not less than fifty dollars~~  
15 ~~(\$50) and not more than ninety-nine dollars and ninety-nine cents~~  
16 ~~(\$99.99), that contain an electronic security lock or other~~  
17 ~~security-related function, the manufacturer shall also make~~  
18 ~~available to owners of the product, service and repair facilities,~~  
19 ~~and service dealers, on fair and reasonable terms, any~~  
20 ~~documentation, tools, software, and parts needed to disable the~~  
21 ~~lock or function, and to reset the lock or function when disabled,~~  
22 ~~during the course of the diagnosis, maintenance, or repair of a~~  
23 ~~product for at least three years after the last date a product model~~  
24 ~~or type was manufactured, regardless of whether the three-year~~  
25 ~~period exceeds the warranty period for the product.~~

26 (b) ~~(1)~~ Notwithstanding any other law, every manufacturer of  
27 an electronic or appliance product with a wholesale price to the  
28 retailer, or to others outside of direct retail sale, of one hundred  
29 dollars (\$100) or more, shall make available to owners of the  
30 product, service and repair facilities, and service dealers sufficient  
31 documentation and functional parts and tools, inclusive of any  
32 updates, on fair and reasonable terms, to effect the diagnosis,  
33 maintenance, or repair of a product for at least seven years after  
34 the last date a product model or type was manufactured, regardless  
35 of whether the seven-year period exceeds the warranty period for  
36 the product.

37 ~~(2) For products with a wholesale price to the retailer, or to~~  
38 ~~others outside of direct retail sale, of one hundred dollars (\$100)~~  
39 ~~or more, that contain an electronic security lock or other~~  
40 ~~security-related function, the manufacturer shall also make~~

1 available to owners of the product, service and repair facilities,  
 2 and service dealers, on fair and reasonable terms, any  
 3 documentation, tools, software, and parts needed to disable the  
 4 lock or function, and to reset the lock or function when disabled,  
 5 during the course of the diagnosis, maintenance, or repair of a  
 6 product for at least seven years after the last date a product model  
 7 or type was manufactured, regardless of whether the seven-year  
 8 period exceeds the warranty period for the product.

9 (c) Except as necessary to comply with this section, this section  
 10 does not require a manufacturer to divulge a trade secret, *secret*  
 11 *or license any intellectual property, including copyrights or*  
 12 *patents.*

13 (d) This section does not require the distribution of a product's  
 14 source code.

15 (e) A service and repair facility or service dealer that is not an  
 16 authorized facility or dealer of a manufacturer shall provide a  
 17 written notice to any customer seeking repair of an electronic or  
 18 appliance product before the repair facility or service dealer repairs  
 19 the product that informs the customer that it is not a  
 20 manufacturer-authorized or ~~affiliated~~ *manufacturer-affiliated*  
 21 *service dealer for the product, and shall disclose if it uses*  
 22 *any used replacement parts or replacement parts provided by a*  
 23 *supplier other than the manufacturer of the product.*

24 (f) *Nothing in this section shall be construed to require a*  
 25 *manufacturer to make available special documentation, tools, and*  
 26 *parts that would disable or override antitheft security measures*  
 27 *set by the owner of the product without the owner's authorization.*

28 (g) *Nothing in this section shall be construed to require a*  
 29 *manufacturer to sell service parts if the service parts are no longer*  
 30 *provided by the manufacturer or made available to itself or to*  
 31 *manufacturer-authorized or manufacturer-affiliated service*  
 32 *dealers.*

33 (f)

34 (h) For purposes of this section, the following definitions apply:

35 (1) "Documentation" means any electronic or appliance product  
 36 manual, diagram, reporting output, service code description,  
 37 schematic, or similar information that is provided by a  
 38 manufacturer to an authorized service dealer, or that is for use by  
 39 the manufacturer if the manufacturer does not have any authorized

1 service dealers, for purposes of effecting the services of diagnosis,  
2 maintenance, or repair of the electronic or appliance product.

3 (2) (A) “Electronic or appliance product” or “product” means  
4 a product described in subdivision (h), (i), (j), or (k) of Section  
5 9801 of the Business and Professions Code, *Code for which the*  
6 *manufacturer makes available tools, parts, and documentation to*  
7 *itself or to authorized repair providers*, and includes products  
8 described in those subdivisions that are sold to schools, businesses,  
9 local governments, or in other methods outside of direct retail sale.

10 (B) “Electronic or appliance product” or “product” does not  
11 include any of the following:

12 (i) Equipment or repair parts as defined in Chapter 28  
13 (commencing with Section 22900) of Division 8 of the Business  
14 and Professions Code.

15 (ii) A product or component of an “alarm system” as defined  
16 in subdivision (c) of Section 7590.1 of the Business and Professions  
17 Code.

18 (iii) A video game console.

19 (3) (A) “Fair and reasonable terms” means at costs and terms  
20 that are equivalent to the most favorable costs and terms under  
21 which the manufacturer offers the part, tool, or documentation to  
22 an authorized service dealer, ~~or to itself, if it does not have~~  
23 ~~authorized service dealers~~, accounting for any discount, rebate,  
24 convenient and timely means of delivery, means of enabling fully  
25 restored and updated functionality, rights of use, or other incentive  
26 or preference the manufacturer offers to an authorized service  
27 dealer.

28 (B) For documentation, including any relevant updates, “fair  
29 and reasonable terms” also means at no charge, except that, when  
30 the documentation is requested in physical printed form, a charge  
31 may be included for the reasonable actual costs of preparing and  
32 sending the copy.

33 (C) *“Fair and reasonable” also means tools shall be made*  
34 *available by the manufacturer at no charge and without imposing*  
35 *impediments to access or use of the tools to diagnose, maintain,*  
36 *or repair and enable full functionality of the product, or in a*  
37 *manner that impairs the efficient and cost-effective performance*  
38 *of any such diagnosis, maintenance, or repair, except that, when*  
39 *a tool is requested in physical form, a charge may be included for*  
40 *the reasonable, actual costs of preparing and sending the tool.*

1 (D) *If a manufacturer does not use an authorized service dealer*  
2 *for a given repair, “fair and reasonable terms” means at a price*  
3 *that reflects the actual cost to the manufacturer to prepare and*  
4 *deliver the part, tool, or documentation, exclusive of any research*  
5 *and development costs incurred.*

6 (4) *“Part” means any replacement part or assembly of parts,*  
7 *either new or used, made available by a manufacturer of an*  
8 *electronic or appliance product to itself or to*  
9 *manufacturer-authorized or manufacturer-affiliated service dealers*  
10 *to facilitate the maintenance or repair of a product sold by the*  
11 *manufacturer.*

12 ~~(4)~~  
13 (5) *“Service dealer” has the same meaning as defined in Section*  
14 *9801 of the Business and Professions Code.*

15 (6) *“Tool” means any software program, hardware implement,*  
16 *or other apparatus made available by a manufacturer of an*  
17 *electronic or appliance product to itself or to*  
18 *manufacturer-authorized or manufacturer-affiliated service dealers*  
19 *for the diagnosis, maintenance, or repair of the product, including*  
20 *software or other mechanisms that provide, program, pair a part,*  
21 *calibrate functionality, or perform any other function required to*  
22 *repair the product or part back to fully functional condition,*  
23 *including any updates.*

24 ~~(5)~~  
25 (7) *“Trade secret” has the same meaning as set forth in*  
26 *subdivision (d) of Section 3426.1 of the Civil Code, or paragraph*  
27 *(9) of subdivision (a) of Section 499c of the Penal Code.*

28 ~~(6)~~  
29 (8) *“Video game console” means a computing device, including*  
30 *its components and peripherals, that is primarily used by consumers*  
31 *for playing video games, such as a console machine, a handheld*  
32 *console device, or another device or system. “Video game console”*  
33 *does not include a general or an all-purpose computer, which*  
34 *includes, but is not limited to, a desktop computer, laptop, tablet,*  
35 *or cell phone.*

36 42488.3. (a) *A city, a county, a city and county, or the state*  
37 *may bring an action in superior court to impose civil liability on*  
38 *a person or entity that knowingly violated this chapter, or*  
39 *reasonably should have known that it violated this chapter, in the*  
40 *amount of one thousand dollars (\$1,000) per day for the first*

1 violation of this chapter, two thousand dollars (\$2,000) per day  
2 for the second violation, and five thousand dollars (\$5,000) per  
3 day for the third and subsequent violations.

4 (b) Any civil penalties collected pursuant to subdivision (a)  
5 shall be paid to the office of the city attorney, county counsel,  
6 district attorney, or Attorney General, whichever office brought  
7 the action. The penalties collected pursuant to this section by the  
8 Attorney General may be expended by the Attorney General, upon  
9 appropriation by the Legislature, to enforce this chapter.

10 SEC. 2. The heading of Chapter 8.6 (commencing with Section  
11 42490) of Part 3 of Division 30 of the Public Resources Code is  
12 amended and renumbered to read:

13  
14  
15

CHAPTER 8.7. CELL PHONE RECYCLING ACT OF 2004

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## AGENDA ITEM 7-h

SB 271 (Dodd)

Powered Wheelchairs: Right to Repair



AMENDED IN SENATE APRIL 12, 2023

**SENATE BILL**

**No. 271**

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**Introduced by Senator Dodd  
(Coauthor: Senator Eggman)**

January 31, 2023

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An act to add Chapter 8.5 (commencing with Section 21300) to Division 8 of the Business and Professions Code, *and to amend Section 14132.85 of the Welfare and Institutions Code*, relating to ~~business-~~powered wheelchairs.

LEGISLATIVE COUNSEL'S DIGEST

SB 271, as amended, Dodd. Powered wheelchairs: ~~right to~~ repair.

Existing law, the Sherman Food, Drug, and Cosmetic Law, regulates the packaging, labeling, and advertising of drugs and devices, and is administered by the State Department of Public Health. Among other things, existing law prohibits a person from conducting a home medical device retail facility business in this state unless the person has obtained a license from the department and sets forth standards for operating that facility.

Existing law authorizes the department to waive any licensing requirements for a medical device retail facility when, in the opinion of the department, a high standard of patient safety, consistent with good patient care, can be provided by the licensure of a home medical device retail facility that does not meet all of the requirements for licensure.

This bill ~~would~~ *would, except as specified*, require an original ~~manufacturer, as defined, manufacturer~~ of a powered ~~wheelchair~~ *wheelchair, as those terms are defined*, to provide documentation, parts, embedded software, firmware, and tools used to inspect, diagnose,

maintain, and repair the wheelchair to an owner or an independent repair provider for the purposes of providing service on the equipment in the state, on fair and reasonable terms and costs, as defined. The bill would also require an original manufacturer, for a powered wheelchair that contains an electronic security lock or other security-related function, to provide any documentation, parts, embedded software, firmware, or tools needed to reset the lock or function when disabled in the course of providing services, as specified. *The bill would require an independent repair provider to provide a written notice to a customer before providing repair services, as specified.*

This bill would exempt from these requirements any trade secret information, as specified. The bill would subject an original equipment manufacturer who knowingly violates these provisions to specified civil penalties, and would authorize a person injured by a violation of these provisions and the Attorney General or a district attorney, county counsel, or city attorney to bring a civil action for this purpose.

*Existing law establishes the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services pursuant to a schedule of benefits. Existing law imposes requirements relating to complex rehabilitation technology services, including the repair of equipment and parts. Existing law authorizes the department to adopt utilization controls, as specified.*

*This bill would prohibit the department from requiring prior authorization for the repair of a powered wheelchair. The bill would also prohibit a treatment authorization request for repair or replacement of a powered wheelchair from requiring a prescription or documentation of medical necessity from the treating practitioner requesting the repair or replacement if the powered wheelchair has already been approved for use by the patient, as specified.*

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

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

- 1 SECTION 1. Chapter 8.5 (commencing with Section 21300)
- 2 is added to Division 8 of the Business and Professions Code, to
- 3 read:

1 CHAPTER 8.5. CONSUMER WHEELCHAIR RIGHT TO REPAIR

2  
3 21300. For the purposes of this chapter, the following  
4 definitions apply:

5 (a) “Authorized repair provider” means an individual or business  
6 who is unaffiliated with an original equipment manufacturer and  
7 who has an arrangement with the original equipment manufacturer,  
8 for a definite or indefinite period, under which the original  
9 equipment manufacturer grants to the individual or business a  
10 license to use a trade name, service mark, or other proprietary  
11 identifier for the purposes of offering the services of inspection,  
12 diagnosis, maintenance, or repair of powered medical equipment  
13 under the name of the original equipment manufacturer, or other  
14 arrangement with the original equipment manufacturer to offer  
15 those services on behalf of the original equipment manufacturer.  
16 An original equipment manufacturer who offers the services of  
17 inspection, diagnosis, maintenance, or repair of its own powered  
18 medical equipment, and who does not have an arrangement  
19 described in this subdivision with an unaffiliated individual or  
20 business, shall be considered an authorized repair provider with  
21 respect to that equipment.

22 (b) “Documentation” means any manual, diagram, reporting  
23 output, service code description, schematic, or other guidance or  
24 information used in effecting the services of inspection, diagnosis,  
25 maintenance, or repair of powered medical equipment.

26 (c) “Embedded software” means any programmable instructions  
27 provided on firmware delivered with an electronic component of  
28 equipment, or with a part for that equipment, for purposes of  
29 equipment operation, including all relevant patches and fixes made  
30 by the manufacturer of the equipment or part for these purposes.

31 (d) “Equipment” means a powered wheelchair.

32 (e) (1) “Fair and reasonable terms” for obtaining a part, tool,  
33 documentation, or training course and materials means at costs  
34 and terms that are equivalent to the most favorable costs and terms  
35 under which an original equipment manufacturer offers the part,  
36 tool, documentation, services access method, or training course  
37 and materials to an authorized repair provider, including all of the  
38 following requirements:

39 (A) Accounting for any discount, rebate, convenient means of  
40 delivery, means of enabling fully restored and updated

1 functionality, rights of use, or other incentive or preference the  
2 original equipment manufacturer offers to an authorized repair  
3 provider, or any additional cost, burden, or impediment the original  
4 equipment manufacturer imposes on an independent repair  
5 provider.

6 (B) Not conditioned on, or imposing, a substantial obligation  
7 or restriction that is not reasonably necessary for enabling a hospital  
8 or independent repair provider to engage in the diagnosis,  
9 maintenance, or repair of powered medical equipment made by,  
10 or on behalf of, the original equipment manufacturer.

11 (C) Not conditioned on an arrangement described in subdivision  
12 (a).

13 (2) For documentation, including any relevant updates, “fair  
14 and reasonable terms” also means at no charge, except that, when  
15 the documentation is requested in physical printed form, a charge  
16 may be included for the reasonable actual costs of preparing and  
17 sending the copy.

18 (3) For software tools, “fair and reasonable terms” also means  
19 all of the following:

20 (A) Provided at no charge and without requiring authorization  
21 or internet access.

22 (B) Without imposing impediments to access or use, in the  
23 course of effecting the diagnosis, maintenance, or repair and  
24 without impairing the efficient and cost-effective performance of  
25 the diagnosis, maintenance, or repair.

26 (C) Enables full functionality.

27 (4) If an original equipment manufacturer does not utilize an  
28 authorized repair provider, “fair and reasonable terms” means an  
29 equitable price in consideration of the actual cost to the original  
30 equipment manufacturer to prepare and distribute the part, tool,  
31 service access method, or documentation, exclusive of any research  
32 and development costs incurred.

33 (f) “Firmware” means a software program or set of instructions  
34 programmed on equipment, or on a part for that equipment, to  
35 allow the equipment or part to communicate within itself or with  
36 other computer hardware.

37 (g) “Independent repair provider” means an individual or  
38 business, other than the manufacturer, that is engaged in the  
39 services of inspection, diagnosis, maintenance, or repair of  
40 equipment for purposes of returning it to the safety and

1 performance specifications established by the manufacturer and  
2 to meet its original intended use.

3 (h) “Original equipment manufacturer” means a business  
4 engaged in the business of selling, leasing, or otherwise supplying  
5 new equipment or parts manufactured by, or on behalf of, itself,  
6 to any individual or business.

7 (i) “Part” means any replacement part, either new or used, made  
8 available by an original equipment manufacturer for purposes of  
9 effecting the services of inspection, diagnosis, maintenance, or  
10 repair of powered medical equipment manufactured by, or on  
11 behalf of, sold, or otherwise supplied by the original equipment  
12 manufacturer.

13 (j) *“Powered wheelchair” means a motorized wheeled device*  
14 *designed for use by a person with a physical disability.*

15 ~~(j)~~

16 (k) “Tools” means any software program, hardware implement,  
17 or other apparatus used in inspection, diagnosis, maintenance, or  
18 repair of powered medical equipment, including software or other  
19 mechanisms that provision, program, or pair a new part, calibrate  
20 functionality, or perform any other function required to bring the  
21 product back to fully functional condition.

22 ~~(k)~~

23 (l) “Trade secret” has the same meaning as in subdivision (d)  
24 of Section 3426.1 of the Civil Code.

25 21301. (a) For the purpose of providing services for equipment  
26 in the state, an original equipment manufacturer shall, with fair  
27 and reasonable terms and costs, make available to an independent  
28 repair provider or owner of the manufacturer’s equipment, any  
29 documentation, parts, embedded software, firmware, or tools that  
30 are intended for use with the equipment or any part, including  
31 updates to documentation, parts, embedded software, firmware,  
32 or tools.

33 (b) With respect to equipment that contains an electronic security  
34 lock or other security-related function, an original equipment  
35 manufacturer shall, with fair and reasonable terms and costs, make  
36 available to independent repair providers and owners any  
37 documentation, parts, embedded software, firmware, or tools  
38 needed to reset the lock or function when disabled in the course  
39 of providing services. The manufacturer may make the  
40 documentation, parts, embedded software, firmware, or tools

1 available to independent repair providers and owners through  
2 appropriate secure release systems.

3 (c) *For powered wheelchairs subject to Section 14132.8 of the*  
4 *Welfare and Institutions Code, this section shall not apply to any*  
5 *part that would require programmability, calibration, or clinical*  
6 *involvement to ensure appropriate patient seating and positioning.*  
7 *Items included in this section for powered wheelchairs subject to*  
8 *Section 14132.8 of the Welfare and Institutions Code shall include:*

9 (1) *Batteries.*

10 (2) *Battery chargers.*

11 (3) *Nonprogrammable joysticks.*

12 (4) *Joystick housings or brackets.*

13 (5) *Wheel assembly.*

14 (6) *Nonpositioning accessories.*

15 (7) *Antitip devices.*

16 (8) *Armrests, excluding positioning components designed for*  
17 *adjustment by a therapist or assistive technology professional.*

18 (9) *Caster spheres.*

19 (10) *Cosmetic shrouding.*

20 (11) *Floor mats.*

21 (12) *Floor plates.*

22 (13) *Nonpowered leg lowerers.*

23 21302. (a) An original equipment manufacturer who knowingly  
24 violates any provision of this chapter, or who reasonably should  
25 have known that they violated any provision of this chapter, shall  
26 be liable for a civil penalty not to exceed ten thousand dollars  
27 (\$10,000) per piece of equipment for the first violation, and not  
28 to exceed five hundred thousand dollars (\$500,000) for each series  
29 of related violations.

30 (b) An original equipment manufacturer who violates a court  
31 order or injunction issued pursuant to this chapter shall be liable  
32 for a civil penalty not to exceed ten thousand dollars (\$10,000)  
33 per violation.

34 (c) (1) Any person injured by violation of this chapter may  
35 bring a civil action for damages or other appropriate relief.

36 (2) The Attorney General, district attorney, county counsel, city  
37 prosecutor, or city attorney may bring a civil action in the name  
38 of the state for violation of this chapter.

39 (d) If the action is brought by the Attorney General, one-half  
40 of the penalty collected shall be paid to the treasurer of the county

1 in which the judgment was entered, and one-half to the State  
2 Treasurer. If brought by a district attorney or county counsel, the  
3 entire amount of penalty collected shall be paid to the treasurer of  
4 the county in which the judgment was entered. If brought by a city  
5 attorney or city prosecutor, one-half of the penalty shall be paid  
6 to the treasurer of the county and one-half to the city.

7 (e) The penalties collected pursuant to this section by the  
8 Attorney General may be expended by the Attorney General, upon  
9 appropriation by the Legislature, to enforce this chapter.

10 *21303. An independent repair provider that is not an authorized*  
11 *repair provider shall provide a written notice to any customer*  
12 *before providing repairs that contains the following information:*

13 (a) *The independent repair provider is not an authorized repair*  
14 *provider for the product.*

15 (b) *The consumer may wish to review the terms and conditions*  
16 *of any warranty for the equipment, as repairs not performed by a*  
17 *designated authorized repair provider could potentially affect the*  
18 *warranty.*

19 (c) *Warranties for consumer products are governed by the*  
20 *federal Magnuson-Moss Warranty Act (Chapter 50 (commencing*  
21 *with Section 2301) of Title 15 of the United States Code), which*  
22 *gives consumers rights and protections that apply over any*  
23 *conflicting provisions in the warranty.*

24 (d) *Under Magnuson-Moss, a warranty cannot generally require*  
25 *that maintenance repairs be performed only by an authorized*  
26 *repair provider, unless the Federal Trade Commission waives this*  
27 *prohibition, or the repair is provided free of charge, pursuant to*  
28 *that warranty.*

29 (e) *Under Magnuson-Moss, if damage to equipment is shown*  
30 *to be caused by faulty nonbrand equipment or by faulty repair by*  
31 *a nonauthorized repair provider, that damage may not be covered*  
32 *by the warranty, but the warranty may otherwise remain in effect.*

33 (f) *Under Section 14019.4 of the Welfare and Institutions Code,*  
34 *an independent repair provider that is a Medi-Cal enrolled*  
35 *provider is prohibited from seeking reimbursement or attempting*  
36 *to obtain payment for the cost of covered services from a Medi-Cal*  
37 *applicant or recipient, unless the beneficiary owes a share of the*  
38 *cost, as described in subdivision (g) of that section.*



1     ~~21303.~~

2     21304. (a) This chapter does not require an original equipment  
3 manufacturer to divulge a trade secret, except as necessary to  
4 provide documentation, parts, tools, service access methods, and  
5 training courses and materials on fair and reasonable terms.

6     (1) An original equipment manufacturer may redact  
7 documentation to remove trade secrets from the documentation  
8 before providing access to the documentation if the usability of  
9 the redacted documentation for the purpose of providing services  
10 is not diminished.

11    (2) An original equipment manufacturer may withhold  
12 information regarding a component of, design of, functionality of,  
13 or process of developing a part, embedded software, firmware, or  
14 a tool if the information is a trade secret and the usability of the  
15 part, embedded software, firmware, or tool for the purpose of  
16 providing services is not diminished.

17    (b) This chapter does not require an original equipment  
18 manufacturer to make available a part if the part is no longer  
19 available to the original equipment manufacturer.

20    (c) An original equipment manufacturer is not liable for faulty  
21 or otherwise improper repairs provided by independent repair  
22 providers or owners.

23    (d) This chapter shall not be construed to alter the terms of any  
24 arrangement described in subdivision (a) of Section 21300 in force  
25 between an authorized repair provider and an original equipment  
26 manufacturer, including, but not limited to, the performance or  
27 provision of warranty or recall repair work by an authorized repair  
28 provider on behalf of an original equipment manufacturer pursuant  
29 to an arrangement described in subdivision (a) of Section 21300,  
30 except that any provision that purports to waive, avoid, restrict, or  
31 limit the original equipment manufacturer's obligations to comply  
32 with this chapter shall be void and unenforceable.

33    (e) This chapter shall not be construed to exempt an original  
34 equipment manufacturer from a products liability claim that is  
35 otherwise authorized by law.

36     ~~21304.~~

37     21305. This chapter applies with respect to equipment sold or  
38 in use on or after January 1, 2024.

39     *SEC. 2. Section 14132.85 of the Welfare and Institutions Code*  
40 *is amended to read:*

1 14132.85. (a) For purposes of this section, the following  
2 definitions apply:

3 (1) “Complex needs patient” means an individual with a  
4 diagnosis or medical condition that results in significant physical  
5 impairment or functional limitation. “Complex needs patient”  
6 includes, but is not limited to, individuals with spinal cord injury,  
7 traumatic brain injury, cerebral palsy, muscular dystrophy, spina  
8 bifida, osteogenesis imperfecta, arthrogryposis, amyotrophic lateral  
9 sclerosis, multiple sclerosis, demyelinating disease, myelopathy,  
10 myopathy, progressive muscular atrophy, anterior horn cell disease,  
11 post-polio syndrome, cerebellar degeneration, dystonia,  
12 Huntington’s disease, spinocerebellar disease, and the types of  
13 amputation, paralysis, or paresis that result in significant physical  
14 impairment or functional limitation. “Complex needs patient” does  
15 not negate the requirement that an individual meet medical  
16 necessity requirements under authority rules to qualify for receiving  
17 complex rehabilitation technology.

18 (2) “Complex rehabilitation technology” means items classified  
19 within the federal Medicare Program as of January 1, 2021, as  
20 durable medical equipment that are individually configured for  
21 individuals to meet their specific and unique medical, physical,  
22 and functional needs and capacities for basic activities of daily  
23 living and instrumental activities of daily living identified as  
24 medically necessary. These items include, but are not limited to,  
25 complex rehabilitation manual and power wheelchairs, power seat  
26 elevation or power standing components of power wheelchairs,  
27 seating and positioning items, other specialized equipment such  
28 as adaptive bath equipment, standing frames, gait trainers, and  
29 specialized strollers, and related options and accessories.

30 (3) “Complex rehabilitation technology services” includes the  
31 application of enabling systems designed and assembled to meet  
32 the needs of a patient experiencing any permanent or long-term  
33 loss or abnormality of physical or anatomical structure or function  
34 with respect to mobility or other function or need. These services  
35 include, but are not limited to, all of the following:

36 (A) Evaluating the needs of a patient with a disability, including  
37 an assessment of the patient for the purpose of ensuring that the  
38 proposed equipment is appropriate.

39 (B) Documenting medical necessity.

1 (C) Selecting, fitting, customizing, maintaining, assembling,  
2 repairing, replacing, picking up and delivering, and testing  
3 equipment and parts.

4 (D) Training the patient who will use the technology or any  
5 individual who assists the patient in using the complex  
6 rehabilitation technology.

7 (4) “Qualified health care professional” means an individual  
8 who has no financial relationship to the provider of complex  
9 rehabilitation technology and is any of the following:

10 (A) A physical therapist licensed pursuant to Chapter 5.7  
11 (commencing with Section 2600) of Division 2 of the Business  
12 and Professions Code.

13 (B) An occupational therapist licensed pursuant to Chapter 5.6  
14 (commencing with Section 2570) of Division 2 of the Business  
15 and Professions Code.

16 (C) Other licensed health care professional, approved by the  
17 department, and who performs specialty evaluations within the  
18 professional’s scope of practice.

19 (5) “Qualified rehabilitation technology professional” means  
20 an individual who meets either of the following:

21 (A) Holds the credential of Assistive Technology Professional  
22 (ATP) from the Rehabilitation Engineering and Assistive  
23 Technology Society of North America.

24 (B) Holds the credential of Certified Complex Rehabilitation  
25 Technology Supplier (CRTS) from the National Registry of  
26 Rehabilitation Technology Suppliers.

27 (b) A provider of complex rehabilitation technology to a  
28 Medi-Cal beneficiary shall comply with all of the following:

29 (1) Meet the supplier and quality standards established for a  
30 durable medical equipment supplier under the federal Medicare  
31 Program and be enrolled as a provider in the Medi-Cal program.

32 (2) Be accredited by a recognized accrediting organization as  
33 a supplier of complex rehabilitation technology.

34 (3) Employ at least one qualified rehabilitation technology  
35 professional as a W-2 employee (receiving a W-2 tax form from  
36 the provider) for each distribution location.

37 (4) Have the qualified rehabilitation technology professional  
38 physically present for the evaluation, either in person or remotely  
39 if necessary, directly involved in determining the specific complex  
40 rehabilitation technology appropriate for the patient, and directly

1 involved with, or closely supervised in, the final fitting and delivery  
2 of the complex rehabilitation technology.

3 (5) Maintain a reasonable supply of parts, adequate physical  
4 facilities, and qualified service or repair technicians, and provide  
5 patients with prompt services and repair for all complex  
6 rehabilitation technology supplied.

7 (6) Provide written information at the time of delivery of  
8 complex rehabilitation technology regarding how the patient may  
9 receive services and repair.

10 (c) For complex needs patients receiving a complex  
11 rehabilitation manual wheelchair, power wheelchair, or seating  
12 component, the patient shall be evaluated, either in person or  
13 remotely if necessary, by both of the following:

14 (1) A qualified health care professional.

15 (2) A qualified rehabilitation technology professional.

16 (d) A medical provider shall conduct a physical examination of  
17 an individual, either in person or remotely if necessary, before  
18 prescribing a power wheelchair or scooter for a Medi-Cal  
19 beneficiary. The medical provider shall complete a certificate of  
20 medical necessity that documents the medical condition that  
21 necessitates the power wheelchair or scooter, and verifies that the  
22 patient is capable of using the wheelchair or scooter safely.

23 (e) (1) The department may adopt utilization controls, including  
24 a specialty evaluation by a qualified health care professional, as  
25 defined in paragraph (4) of subdivision (a). ~~The~~ *Except as provided*  
26 *in paragraph (2), the* department may adopt any other additional  
27 utilization controls for complex rehabilitation technology, as  
28 appropriate.

29 (2) (A) *The department shall not require prior authorization*  
30 *for the repair of a powered wheelchair.*

31 (B) *A treatment authorization request for repair or replacement*  
32 *of a powered wheelchair shall not require a prescription or*  
33 *documentation of medical necessity from the treating practitioner*  
34 *requesting the repair or replacement if the powered wheelchair*  
35 *has already been approved for use by the patient.*

36 (f) The department shall seek any necessary federal approvals  
37 for the implementation of this section. This section shall be  
38 implemented only to the extent that any necessary federal approvals

- 1 are obtained and federal financial participation is available and is
- 2 not otherwise jeopardized.

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## AGENDA ITEM 8

Communications and Education Update



### National Moving Month—May

May is National Moving Month and the Bureau engaged in a number of outreach activities to inform consumers about how to protect themselves from unlicensed and unscrupulous movers during the height of moving season.

In conjunction with DCA, the Bureau issued a press release in English and Spanish with information about how to “Protect Your Belongings, Money and Peace of Mind: Only Used State-Licensed Moving Companies.” In addition, staff created a new two-sided flyer in English and Spanish with the top consumer tips for those moving within California and for those moving into or out of California. The flyers were posted on the Bureau website and the tips were used as the basis for a series of social media posts on Facebook and Twitter.

### Press Releases

In addition to the press releases on National Moving Month, the Bureau issued a press release on “How to Avoid Appliance Repair Scams, Fraud” in February 2023, and distributed it to both English and Spanish language media.

### Media Stories

On April 3, 2023, NBC Los Angeles aired a story about an excessively expensive appliance repair (<https://www.nbclosangeles.com/investigations/broken-appliance-repairs/3125230/>). Chief Paddock was interviewed for the story and shared consumer tips, including the requirement to receive a cost estimate, which should have a breakdown of parts and labor and how labor costs are calculated. He also let viewers know that when the job is complete they should receive an invoice with the company’s BHGS registration number and a list of what work was done.

### Presentations

The Bureau participated in the following outreach events between February and May 2023:

Date	Event	Location
2/8/23	California District Attorneys Association Fraud Symposium	Los Angeles Area
2/9/23	Travis Air Force Base Career Fair	Fairfield
3/8/23	Shasta County Fraud Prevention Fair	Redding
3/14/23	Consumer Protection for Seniors	Sacramento
4/25/23	International Association of Bedding and Furniture Labeling Officials Conference	Portland, Maine
5/19/23	California Moving & Storage Association	Rancho Mirage



BHGS Special Investigator Dale Chasse and Anand “Lucky” Jesrani, Senior Deputy District Attorney for the Shasta County District Attorney’s Office at the Shasta County Fraud Prevention Fair

- On February 8, 2023, Chief Paddock and Enforcement Managers Alda Aguirre and Nichole Bowles presented information on the Household Movers program at the California District Attorneys Association (CDA) Fraud Symposium 2023.
- On March 8, 2023, Dale Chasse represented the Bureau at the Shasta County Fraud Prevention Fair in Redding. The event, sponsored by the County District Attorney’s Office, included about 30 other state and local agencies, and was attended by 150-200 people, most of whom were seniors. The county invited the Bureau to participate in regular quarterly meetings with other agencies to share information about fraudulent activities in northern California.
- On March 14, 2023, Erin Bertoni, Dale Chasse, and Brian Kauth represented the Bureau at an outreach event coordinated by the Sacramento County Senior Services and the California Department of Financial Protection and Innovation, focused on consumer protection for seniors. Held at a church in Sacramento, about 35 attendees listened to short presentations, asked questions, and took many handouts.
- Chief Paddock and Environmental Scientist Dylan Inglefield attended the International Association of Bedding and Furniture Labeling Officials conference in Portland, Maine April 25-28, 2023. The conference offered an opportunity to discuss in detail a proposed furniture label regulation that was last substantially updated in the 1980s and to meet with fellow state regulators, their federal counterparts (Consumer Product Safety Commission), and industry officials.
- Chief Paddock and Deputy Chief Goldstene attended the California Moving and Storage Association annual meeting in Rancho Mirage May 16-19, 2023. Chief Paddock updated members about trends with household mover applications and recent proactive enforcement efforts.



## Communication and Education Strategic Plan Goals

The Bureau currently lacks a full-time staff person dedicated to communication and education, which limits the extent of outreach activities. However, a number of staff have willingly volunteered to assist with these efforts, in addition to maintaining their existing work commitments.

In the coming months, the Bureau also plans to hire an outreach coordinator to oversee and implement communications efforts and a student assistant to assist with managing social media sites (Facebook, Twitter, Instagram) and video creation.

Once the outreach team is hired, the Bureau has identified four communication and education priorities for the first year to reach its three primary audiences of consumers, applicants, and licensees:

- Update existing and develop new outreach material to ensure accuracy of information for all three programs
- Launch virtual applicant workshops for the Household Movers program to explain the new online application
- Develop and distribute an annual newsletter for licensees in all three programs
- Plan for and begin a relaunch of the Bureau's website in collaboration with DCA to both improve navigation and ensure information is accurate and up-to-date for consumers, applicants, and existing licensees