

Date of Hearing: September 10, 2021

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Evan Low, Chair

AB 830 (Flora) – As Amended September 3, 2021

NOTE: This bill is being heard pursuant to Assembly Rule 77.2 for concurrence in Senate amendments only.

SUBJECT: Business: Department of Consumer Affairs: licensed professions and vocations.

SUMMARY: Makes various technical changes and noncontroversial reforms to laws governing professions regulated by boards and bureaus under the Department of Consumer Affairs (DCA).

EXISTING LAW:

- 1) Establishes the DCA within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)
- 2) Enumerates various regulatory boards, bureaus, committees, and commissions under the DCA's jurisdiction. (BPC § 101)
- 3) Defines "board" as also inclusive of "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency." (BPC § 22)
- 4) Provides that all boards, bureaus, and commissions within the DCA are established for the purpose of ensuring that those private businesses and professions deemed to engage in activities which have potential impact upon the public health, safety, and welfare are adequately regulated in order to protect the people of California. (BPC § 101.6)
- 5) Places the DCA under the control of the Director of Consumer Affairs, who is appointed by the Governor and may investigate the work of boards under the DCA. (BPC §§ 150 *et seq.*)
- 6) Permits the Director of Consumer Affairs to require reports from any board or other agency within the DCA as the director deems reasonably necessary on any phase of their operations. (BPC § 127)
- 7) Establishes the Alarm Company Act for purposes of regulating alarm company operators and alarm agents. (BPC §§ 7590 *et seq.*)
- 8) Establishes the Bureau of Security and Investigative Services (BSIS) within the DCA, which licenses and regulates alarm companies, private security, private investigators, and locksmiths. (BPC §§ 7512 *et seq.*)
- 9) Defines "alarm system" as an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention and to which police may respond. (BPC § 7590.1)
- 10) Requires alarm company operator license applicants to submit to the BSIS a personal identification form with a photograph taken within one year immediately preceding the date of the filing of the application. (BPC § 7593.1)

- 11) Requires licensees under the Alarm Company Act who carry a firearm in the course of their duties to complete a course of training in the carrying and use of firearms, receive a firearms qualification card prior to carrying a firearm, and complete a course in the exercise of the powers to arrest. (BPC § 7596.3)
- 12) Establishes the Department of Real Estate (DRE) under the Business, Consumer Services, and Housing Agency. (BPC §§ 10050 *et seq.*)
- 13) Requires a real estate licensee to disclose their name, license identification number, and unique identifier on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when acting in a manner that requires a real estate license or mortgage loan originator license endorsement in those transactions. (BPC § 10140.6)
- 14) Establishes the Contractors State License Board (CSLB) under the DCA to license and regulate contractors and home improvement salespersons. (BPC §§ 7000 *et seq.*)
- 15) Establishes the Cemetery and Funeral Bureau (CFB) under the DCA to license and regulate crematories, cremated remains disposers, cemeteries, cemetery managers, cemetery salespersons, cemetery brokers, funeral establishments, funeral directors and embalmers. (BPC §§ 7600 *et seq.*)
- 16) Establishes the California Architects Board within the DCA to regulate the practice of architects. (BPC §§ 5510 *et seq.*)
- 17) Requires any person who makes more than 10 services of process a year for compensation to file and maintain a verified certificate of registration as a process server with the county clerk of the county where they reside. (BPC § 22350)

THIS BILL:

- 1) Requires the Director of Consumer Affairs to notify the appropriate policy committees of the Legislature within 60 days after the position of chief or executive officer of any bureau or board within the department becomes vacant.
- 2) Amends the definition of “alarm agent” to specify that the person is employed to physically conduct activities within the state.
- 3) Excludes from the definition of “alarm system” a fire protection system.
- 4) Requires that all applications for licensure under the Alarm Company Act be submitted electronically beginning July 1, 2022.
- 5) Removes the requirement that applicants for licensure under the Alarm Company Act submit photographs on the personal identification form.
- 6) Prohibits an applicant for a firearms permit who is a BSIS-certified firearms training instructor from self-certifying their own completion of training requirements or from self-certifying the requalification requirements on the range for a firearms qualification card.

- 7) Makes the failure of any licensee under the Alarm Company Act who is also licensed to do business as a corporation or limited liability company in California to be registered and in good standing with the Secretary of State and the Franchise Tax Board after notice from the bureau result in the automatic suspension of the licensee by operation of law.
- 8) Authorizes a real estate licensee who is a natural person and who legally changes the surname in which their license was originally issued to continue to utilize their former surname for business associated with their license so long as both names are filed with the department.
- 9) Authorizes a business entity organized as a general corporation to include in its name any or all of the following, as specified: a fictitious name, the name of one or more licensed architects, or the term “architect,” the term “architecture,” or other variations of the term “architect” or “architecture.”
- 10) Defines “a bona fide employee of the applicant” for licensure before the Contractors State Licensing Board to mean an employee who is permanently employed by the applicant, and “actively engaged” to mean working 32 hours per week, or 80% of the total hours per week that the applicant’s business is in operation, whichever is less.
- 11) Includes the email address for registrants as a process server or professional photocopier among the specified contact information that the certificate of registration is required to contain.
- 12) Makes the failure of licensees under the Bureau for Security and Investigative Services (BSIS) who is also licensed to do business as a corporation in California to be registered and in good standing with the Secretary of State and the Franchise Tax Board after notice from the bureau result in the automatic suspension of the licensee by operation of law.
- 13) Prohibits applicants who are a certified by the BSIS as firearms training instructor from self-certifying their own completion of these requirements or from self-certifying the requalification requirements for a firearms qualification card.
- 14) Requires that a cemetery authority, its board of trustees, or its corporate trustee demonstrates sufficient knowledge and expertise in investing and managing an endowment care fund.
- 15) Includes provisions to resolve potential chaptering conflicts.

FISCAL EFFECT: Pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

Purpose. This bill is an omnibus vehicle, authored by the Vice Chair of the Assembly Committee on Business and Professions and intended to enact minor, technical, or noncontroversial proposals relating to licensed professions and businesses within the committee’s jurisdiction.

Background.

DCA Director Reporting Requirements. Existing law authorizes executive officers and bureau chiefs to be appointed to oversee boards and bureaus under the DCA. Committees of the Legislature frequently engage with these employees when discussing proposed changes to their

respective Acts. Often, these positions will become vacant without notice being provided to the Legislature. While the Senate will eventually be informed if the position is subject to Senate confirmation, not all committees receive timely information about all vacancies. This bill would require the Director of Consumer Affairs to notify the committees in the event that a position becomes vacant.

Alarm Company Act. This bill makes various changes to the Alarm Company Act intended to modernize and update its statutes. The bill would clarify that “alarm agents” only refers to those people conducting work physically in the state of California, which will resolve persistent confusion within the industry regarding who must register with the BSIS. Additional technical changes clarify that alarm agents can work on “ancillary” devices connected to and controlled by the alarm system, such as wireless video cameras, connected locks, carbon monoxide detectors, and supplementary smoke detectors. Additional updates to the definition of “alarm system” reflect that not all hazards detected require police response, such as carbon monoxide detection, smoke detection, doors left open, and leak detection.

This bill also requires that alarm companies and their employees use the online BreEZe system to submit applications. Online applications have a lower percentage of applications returned for errors, are quicker to process, and facilitate contactless licensure. Currently, applications can be submitted online, or using paper applications. This bill would require all applications to be online by July 1, 2022.

Current law requires alarm license applicants to submit a picture that has been taken within one year with their application. Once received, the BSIS typically discards it, since it has no need for the picture, and it is not used by the bureau. This bill would remove the applicant photograph requirement.

The BSIS licenses firearms training instructors for the alarm industry. These instructors are required to take a training course that is also approved by the BSIS, but there is nothing in the law that says that they can’t administer this training course to themselves, or simply self-certify that they have completed this training satisfactorily. This bill would require these firearms training instructors to become certified by another training instructor.

Currently, a license number is required to sign a contract in California with a customer. Alarm company employees are often given provisional licenses while their license applications are still being reviewed by the BSIS. This bill would provide applicants with a temporary application number that can be included on contracts while their application is being reviewed. The bill also requires the alarm company employee to carry a photo identification and their temporary application and specifies that this can be digital.

Real Estate Solicitations. Current law requires that realtors disclose their name, among other information, on all solicitation materials to consumers and on real property purchase agreements. However, in many cases, a real estate licensee changes their name legally (often upon entering into a marriage or partnership) but wishes to continue to use their prior surname professionally. This bill would allow that, as long as the DRE is made aware of both names.

Bureau of Security and Investigative Services. The BSIS issues licenses, registrations, certificates, and permits. There are currently over 433,000 BSIS licenses held by about 350,000 business and individuals serving in the areas of alarm companies, locks, private investigations, private security, repossession, and firearm and baton training facilities.

The BSIS regulates the following Acts:

- 1) Alarm Company Act
- 2) Locksmith Act
- 3) Private Investigator Act
- 4) Private Security Services Act
- 5) Proprietary Security Services Act
- 6) Collateral Recovery Act

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ARGUMENTS IN SUPPORT:

The **California Alarm Association (CAA)**, supports [his bill by Assemblymember Heath Flora, stating that “this measure includes several non-controversial changes to the Alarm Act. CAA worked closely with state regulators in developing and drafting these changes.”

ARGUMENTS IN OPPOSITION:

None on file.

REGISTERED SUPPORT:

American Institute of Architects California
Associated General Contractors of California
California Alarm Association
California Association of Realtors
California Association of Sheet Metal & Air Conditioning Contractors National Association
California Chapters of The National Electrical Contractors Association
California Legislative Conference of Plumbing, Heating & Piping Industry
California State Council of Laborers
Construction Employers' Association
National Electrical Contractors Association (NECA)
Northern California Allied Trades
Northern California Carpenters Regional Council
Northern California District Council - ILWU
Southern California Contractors Association
United Contractors (UCON)
Wall and Ceiling Alliance
Western Wall and Ceiling Contractors Association (WWCCA)

REGISTERED OPPOSITION:

None on file.

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301