

AMENDED IN ASSEMBLY JUNE 26, 2003

AMENDED IN SENATE APRIL 24, 2003

SENATE BILL

No. 1080

Introduced by Committee on Business and Professions (Senators Figueroa (Chair), Aanestad, Brulte, Cedillo, Machado, Murray, and Vincent)

March 28, 2003

An act to amend Sections 1973, 2154.4, 5001, 5061, 5081, 5081.1, 5082, 5082.2, 5107, 5134, ~~and 7583.9~~ 7583.6, and 7583.9 of, to add Section 5115 to, to repeal Section 5091 of, and to repeal and add Section 5082.1 to, the Business and Professions Code, relating to professions and vocations, *making an appropriation therefor*, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1080, as amended, Committee on Business and Professions. Professions and vocations.

(1) *Existing law establishes the Medically Underserved Account in the Contingent Fund of the Medical Board of California, and the Dentally Underserved Account in the State Dentistry Fund. Specified moneys in those accounts have been appropriated to repay loans per agreements with dentists or physicians who practice in underserved areas of the state.*

This bill would specify that moneys in these accounts are continuously appropriated for those purposes.

(2) Existing law provides for the regulation, licensure, and discipline of public accountants by the California Board of Accountancy. Under existing law, each board member, other than the



public members, is required to be actively engaged in the practice of public accountancy. Existing law prohibits a public accountant from receiving a commission from a client while performing certain services.

This bill would prohibit a public accountant from receiving a commission from a 3rd party for providing the 3rd party's products or services to a client. The bill would make an exception to allow one licensee member appointed by the Governor to be an active educator or administrator in a college, university, or four-year program that emphasizes accounting.

(2)

(3) Existing law sets forth the requirements for an applicant for admission to the examination for a certified public accountant.

The bill would specify that the application is for an authorization to be admitted to the examination for a certified public accountant.

(3)

(4) Existing law regulates the certified public accountant's examination process.

The bill would revise the examination process requirements, and specify that a public or private organization may conduct the exam. The bill would authorize the board to contract with a public or private organization for materials and services related to the exam. The bill would authorize the board to adopt regulations relating to the examination.

(4)

(5) Existing law requires a public accountant who is found guilty of certain types of unprofessional conduct to pay to the board all reasonable costs of investigation and prosecution of a case. *Under existing law, a person may petition the board for reinstatement of his or her license one year after his or her license has been revoked or suspended.*

The bill would revise the provisions governing the basis for the board's recovery of costs. *The bill would also provide that a person whose license has been revoked or surrendered may petition the board for reinstatement of his or her license after one year or after a longer period designated by the board, up to 3 years.*

(5)

(6) Existing law authorizes the board to fix the fee for the certified public accountant's examination at an amount to equal the board's actual cost and authorizes the board to consider certain factors in estimating the cost.



The bill would in addition authorize the board to consider the cost to the board to review and determine an applicant’s qualifications.

~~(6)~~

(7) Existing law, the Private Security Services Act, licenses private patrol operators and requires a private security guard to register with the Bureau of Security and Investigative Services in the Department of Consumer Affairs. Under existing law, a person who applies for registration must submit classifiable fingerprint cards with his or her application.

This bill would exempt certain classes of peace officers from this requirement.

~~(7)~~

(8) Existing law, the Private Security Services Act, requires every licensee, except as specified, to complete not less than 32 hours of training in security officer skills beginning July 1, 2004.

This bill would exempt armored vehicle guards from this training requirement.

(9) This bill would declare that it would take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. *Section 1973 of the Business and Professions*
2 *Code is amended to read:*

3 1973. (a) The Dentally Underserved Account is hereby
4 created in the State Dentistry Fund.

5 (b) The sum of three million dollars (\$3,000,000) is hereby
6 authorized to be expended from the State Dentistry Fund on this
7 program. These moneys are appropriated as follows:

8 (1) One million dollars (\$1,000,000) shall be transferred from
9 the State Dentistry Fund to the Dentally Underserved Account on
10 July 1, 2003. Of this amount, sixty-five thousand dollars (\$65,000)
11 shall be used by the Dental Board of California in the 2003–04
12 fiscal year for operating expenses necessary to manage this
13 program.

14 (2) One million dollars (\$1,000,000) shall be transferred from
15 the State Dentistry Fund to the Dentally Underserved Account on
16 July 1, 2004. Of this amount, sixty-five thousand dollars (\$65,000)



1 shall be used by the Dental Board of California in the 2004–05
2 fiscal year for operating expenses necessary to manage this
3 program.

4 (3) One million dollars (\$1,000,000) shall be transferred from
5 the State Dentistry Fund to the Dentally Underserved Account on
6 July 1, 2005. Of this amount, sixty-five thousand dollars (\$65,000)
7 shall be used by the Dental Board of California in the 2005–06
8 fiscal year for operating expenses necessary to manage this
9 program.

10 (c) Funds placed into the Dentally Underserved Account shall
11 be used by the board to repay the loans per agreements made with
12 dentists.

13 (1) Funds paid out for loan repayment may have a funding
14 match from foundation or other private sources.

15 (2) Loan repayments ~~shall~~ may not exceed one hundred five
16 thousand dollars (\$105,000) per individual licensed dentist.

17 (3) Loan repayments ~~shall~~ may not exceed the amount of the
18 educational loans incurred by the dentist applicant.

19 (d) Notwithstanding Section 11005 of the Government Code,
20 the board may seek and receive matching funds from foundations
21 and private sources to be placed into the Dentally Underserved
22 Account. The board also may contract with an exempt foundation
23 for the receipt of matching funds to be transferred to the Dentally
24 Underserved Account for use by this program.

25 (e) *Funds in the Dentally Underserved Account are*
26 *continuously appropriated for the repayment of loans per*
27 *agreements made between the board and the dentists.*

28 *SEC. 2. Section 2154.4 of the Business and Professions Code*
29 *is amended to read:*

30 2154.4. (a) The Medically Underserved Account is hereby
31 created in the Contingent Fund of the Medical Board of California.

32 (b) The sum of three million four hundred fifty thousand
33 dollars (\$3,450,000) is hereby authorized to be expended from the
34 Contingent Fund of the Medical Board of California on this
35 program. These moneys are appropriated as follows:

36 (1) One million one hundred fifty thousand dollars
37 (\$1,150,000) shall be transferred from the Contingent Fund of the
38 Medical Board of California to the Medically Underserved
39 Account on July 1, 2003. Of this amount, one hundred fifty
40 thousand dollars (\$150,000) shall be used by the Medical Board



1 of California in the 2003–04 fiscal year for operating expenses
2 necessary to manage this program.

3 (2) One million one hundred fifty thousand dollars
4 (\$1,150,000) shall be transferred from the Contingent Fund of the
5 Medical Board of California to the Medically Underserved
6 Account on July 1, 2004. Of this amount, one hundred fifty
7 thousand dollars (\$150,000) shall be used by the Medical Board
8 of California in the 2004–05 fiscal year for operating expenses
9 necessary to manage this program.

10 (3) One million one hundred fifty thousand dollars
11 (\$1,150,000) shall be transferred from the Contingent Fund of the
12 Medical Board of California to the Medically Underserved
13 Account on July 1, 2005. Of this amount, one hundred fifty
14 thousand dollars (\$150,000) shall be used by the Medical Board
15 of California in the 2005–06 fiscal year for operating expenses
16 necessary to manage this program.

17 (c) Funds placed into the Medically Underserved Account shall
18 be used by the board to repay the loans per agreements made with
19 physicians.

20 (1) Funds paid out for loan repayment may have a funding
21 match from foundation or other private sources.

22 (2) Loan repayments ~~shall~~ *may* not exceed one hundred five
23 thousand dollars (\$105,000) per individual licensed physician.

24 (3) Loan repayments ~~shall~~ *may* not exceed the amount of the
25 educational loans incurred by the physician applicant.

26 (d) Notwithstanding Section 11005 of the Government Code,
27 the board may seek and receive matching funds from foundations
28 and private sources to be placed into the Medically Underserved
29 Account. The board also may contract with an exempt foundation
30 for the receipt of matching funds to be transferred to the Medically
31 Underserved Account for use by this program.

32 (e) *Funds in the Medically Underserved Account are*
33 *continuously appropriated for the repayment of loans per*
34 *agreements made between the board and the physicians.*

35 SEC. 3. Section 5001 of the Business and Professions Code is
36 amended to read:

37 5001. (a) Except as provided in subdivision (b), each
38 member of the board, except the public members, shall be actively
39 engaged in the practice of public accountancy and shall have been
40 so engaged for a period of not less than five years preceding the



1 date of his appointment. Each member shall be a citizen of the
2 United States and a resident of this state for at least five years next
3 preceding his appointment, and shall be of good character. Within
4 30 days after their appointment, the members of the board shall
5 take and subscribe to the oath of office as prescribed by the
6 Government Code and shall file the same with the Secretary of
7 State.

8 (b) One licensee member appointed by the Governor may be an
9 active educator or administrator within a program that emphasizes
10 the study of accounting within a college, university, or four-year
11 educational institution.

12 ~~SEC. 2.~~

13 *SEC. 4.* Section 5061 of the Business and Professions Code is
14 amended to read:

15 5061. (a) Except as expressly permitted by this section, a
16 person engaged in the practice of public accountancy shall not: (1)
17 pay a fee or commission to obtain a client or (2) accept a fee or
18 commission for referring a client to the products or services of a
19 third party.

20 (b) A person engaged in the practice of public accountancy who
21 is not performing any of the services set forth in subdivision (c)
22 and who complies with the disclosure requirements of subdivision
23 (d) may accept a fee or commission for providing a client with the
24 products or services of a third party where the products or services
25 of a third party are provided in conjunction with professional
26 services provided to the client by the person engaged in the
27 practice of public accountancy. Nothing in this subdivision shall
28 be construed to permit the solicitation or acceptance of any fee or
29 commission solely for the referral of a client to a third party.

30 (c) A person engaged in the practice of public accountancy is
31 prohibited from performing services for a client, or an officer or
32 director of a client, or a client-sponsored retirement plan, for a
33 commission or from receiving a commission from a third party for
34 providing the products or services of that third party to a client, or
35 an officer or director of a client, or a client-sponsored retirement
36 plan, during the period in which the person also performs for that
37 client, or officer or director of that client, or client-sponsored
38 retirement plan, any of the services listed below and during the
39 period covered by any historical financial statements involved in
40 those listed services:



- 1 (1) An audit or review of a financial statement.
- 2 (2) A compilation of a financial statement when that person
3 expects, or reasonably might expect, that a third party will use the
4 financial statement and the compilation report does not disclose a
5 lack of independence.
- 6 (3) An examination of prospective financial information.
- 7 For purposes of this subdivision, “director” means any person
8 as defined under Section 164 of the Corporations Code and
9 “officer” means any individual reported to a regulatory agency as
10 an officer of a corporation. However, “director” and “officer”
11 does not include a director or officer of a nonprofit corporation, or
12 a corporation that meets the board’s definition of small business,
13 as specified by regulation.
- 14 (d) A person engaged in the practice of public accountancy who
15 is not prohibited from performing services for a commission, or
16 from receiving a commission, and who is paid or expects to be paid
17 a commission, shall disclose that fact to any client or entity to
18 whom the person engaged in the practice of public accountancy
19 recommends or refers a product or service to which the
20 commission relates.
- 21 (e) The board shall adopt regulations to implement, interpret,
22 and make specific the provisions of this section including, but not
23 limited to, regulations specifying the terms of any disclosure
24 required by subdivision (d), the manner in which the disclosure
25 shall be made, and other matters regarding the disclosure that the
26 board deems appropriate. These regulations shall require, at a
27 minimum, that a disclosure shall comply with all of the following:
- 28 (1) Be in writing and be clear and conspicuous.
- 29 (2) Be signed by the recipient of the product or service.
- 30 (3) State the amount of the commission or the basis on which
31 it will be computed.
- 32 (4) Identify the source of the payment and the relationship
33 between the source of the payment and the person receiving the
34 payment.
- 35 (5) Be presented to the client at or prior to the time the
36 recommendation of the product or service is made.
- 37 (f) For purposes of this section, “fee” includes, but is not
38 limited to, a commission, rebate, preference, discount, or other
39 consideration, whether in the form of money or otherwise.



1 (g) This section shall not prohibit payments for the purchase of
2 any accounting practice or retirement payments to individuals
3 presently or formerly engaged in the practice of public
4 accountancy or payments to their heirs or estates.

5 ~~SEC. 3.~~

6 SEC. 5. Section 5081 of the Business and Professions Code is
7 amended to read:

8 5081. An applicant for an authorization to be admitted to the
9 examination for a certified public accountant license shall:

10 (a) Not have committed acts or crimes constituting grounds for
11 denial of a license under Section 480.

12 (b) File the application prescribed by the board. This
13 application shall not be considered filed unless all required
14 supporting documents, fees, and the fully completed
15 board-approved application form are received in the board office
16 or filed by mail in accordance with Section 11003 of the
17 Government Code on or before the specified final filing date.

18 (c) Meet one of the educational requirements specified in this
19 article.

20 ~~SEC. 4.~~

21 SEC. 6. Section 5081.1 of the Business and Professions Code
22 is amended to read:

23 5081.1. Pursuant to subdivision (b) of Section 5090, an
24 applicant for an authorization to be admitted to the examination for
25 a certified public accountant certificate may qualify for admission
26 with one of the following:

27 (a) The applicant shall present satisfactory evidence that the
28 applicant has either of the following:

29 (1) A baccalaureate degree from a university, college or other
30 four-year institution of learning accredited by a regional
31 institutional accrediting agency included in a list of these agencies
32 published by the United States Secretary of Education under the
33 requirements of the Higher Education Act of 1965 as amended (20
34 U.S.C. Sec. 1001 et seq.) with a major in accounting or related
35 subjects requiring a minimum of 45 semester units of instruction
36 in these subjects. If the applicant has received a baccalaureate
37 degree in a nonaccounting major, the applicant shall present
38 satisfactory evidence of study substantially the equivalent of an
39 accounting major, including courses in related business
40 administration subjects.



1 (2) A degree or degrees from a college, university, or other
2 institution of learning located outside the United States that is
3 approved by the board as the equivalent of the baccalaureate
4 degree described in paragraph (1). The board may require an
5 applicant under this paragraph to submit documentation of his or
6 her education to a credentials evaluation service approved by the
7 board for evaluation and to cause the results of this evaluation to
8 be reported to the board. The board shall adopt regulations
9 specifying the criteria and procedures for approval of credential
10 evaluation services. These regulations shall, at a minimum,
11 require that the credential evaluation service (A) furnish
12 evaluations directly to the board, (B) furnish evaluations written
13 in English, (C) be a member of the American Association of
14 Collegiate Registrars and Admission Officers, the National
15 Association of Foreign Student Affairs, or the National
16 Association of Credential Evaluation Services, (D) be used by
17 accredited colleges and universities, (E) be reevaluated by the
18 board every five years, (F) maintain a complete set of reference
19 materials as specified by the board, (G) base evaluations only upon
20 authentic, original transcripts and degrees and have a written
21 procedure for identifying fraudulent transcripts, (H) include in the
22 evaluation report, for each degree held by the applicant, the
23 equivalent degree offered in the United States, the date the degree
24 was granted, the institution granting the degree, an English
25 translation of the course titles, and the semester unit equivalence
26 for each of the courses, (I) have an appeal procedure for applicants,
27 and (J) furnish the board with information concerning the
28 credential evaluation service that includes biographical
29 information on evaluators and translators, three letters of reference
30 from public or private agencies, statistical information on the
31 number of applications processed annually for the past five years,
32 and any additional information the board may require in order to
33 ascertain that the credential evaluation service meets the standards
34 set forth in this paragraph and in any regulations adopted by the
35 board.

36 (b) The applicant shall present satisfactory evidence that the
37 applicant has successfully completed a two-year course of college
38 level study or received an associate of arts degree from a
39 community college, either institution accredited by a regional
40 institutional accrediting agency that is included in a list published



1 by the United States Secretary of Education under the provisions
2 of federal law specified in paragraph (1) of subdivision (a), and
3 that the applicant has completed a minimum of 120 semester units
4 which includes the study of accounting and related business
5 administration subjects.

6 (c) The applicant shall show to the satisfaction of the board that
7 he or she has had the equivalent of the educational qualifications
8 required by subdivision (b), or shall pass a preliminary written
9 examination approved and administered by an agency approved
10 by the California State Department of Education and shall have
11 completed a minimum of 10 semester units or the equivalent in
12 accounting subjects. The 10 semester units in accounting subjects
13 shall be completed at a college, university, or other institution of
14 higher learning accredited at the college level by an agency or
15 association that is included in a list published by the United States
16 Secretary of Education under the federal law specified in
17 paragraph (1) of subdivision (a).

18 (d) The applicant shall be a public accountant registered under
19 this chapter.

20 (e) This section shall remain in effect only until January 1,
21 2006, and as of that date is repealed, unless a later enacted statute,
22 that is enacted before January 1, 2006, deletes or extends that date.

23 ~~SEC. 5.~~

24 *SEC. 7.* Section 5082 of the Business and Professions Code is
25 amended to read:

26 5082. An applicant for a certified public accountant license
27 shall have successfully passed examinations in subjects and in a
28 form and manner that the board deems appropriate. The board may
29 adopt regulations to prescribe the methods for applying for and
30 conducting the examination that include grading and determining
31 a passing grade.

32 ~~SEC. 6.~~

33 *SEC. 8.* Section 5082.1 of the Business and Professions Code
34 is repealed.

35 ~~SEC. 7.~~

36 *SEC. 9.* Section 5082.1 is added to the Business and
37 Professions Code, to read:

38 5082.1. (a) The board, or a public or private organization
39 specified by the board, may conduct the certified public
40 accountant license examination. The examination may be



1 conducted under a uniform examination system. The board may
2 use all or part of the Uniform Certified Public Accountant
3 Examination and Advisory Grading Service, as the board deems
4 appropriate.

5 (b) The board may contract or make arrangements with a public
6 or private organization as necessary to conduct the examination.
7 The board may contract on a sole source basis with a public or
8 private organization for material or services related to the
9 examination.

10 ~~SEC. 8.~~

11 *SEC. 10.* Section 5082.2 of the Business and Professions
12 Code is amended to read:

13 5082.2. For candidates seeking to be reexamined pursuant to
14 subdivision (b) of Section 5090, a candidate who fails an
15 examination provided for herein shall have the right to any number
16 of reexaminations at subsequent examinations. A candidate who
17 passes an examination in two or more subjects shall have the right
18 to be reexamined in the remaining subject or subjects only, at
19 subsequent examinations, and if he or she passes in the remaining
20 subject or subjects within a period of time specified in the rules of
21 the board he or she shall be considered to have passed the
22 examination.

23 This section shall remain in effect only until January 1, 2006,
24 and as of that date is repealed, unless a later enacted statute, that
25 is enacted before January 1, 2006, deletes or extends that date.

26 ~~SEC. 9.~~

27 *SEC. 11.* Section 5091 of the Business and Professions Code
28 is repealed.

29 ~~5091. At the time of application for the examination, the
30 applicant shall choose whether he or she is making the application
31 under Section 5092 or 5093. An applicant making application
32 under Section 5093 may change and apply under Section 5092
33 without having to retake sections of the examination already
34 passed provided those sections were passed in accordance with the
35 requirements of Section 5092.~~

36 *SEC. 12.* Section 5107 of the Business and Professions Code
37 is amended to read:

38 5107. (a) The executive officer of the board may request the
39 administrative law judge, as part of the proposed decision in a
40 disciplinary proceeding, to direct any holder of a permit or



1 certificate found guilty of unprofessional conduct in violation of
2 subdivisions (b), (c), (j), or (k) of Section 5100, or involving a
3 felony conviction in violation of subdivision (a) of Section 5100,
4 or involving fiscal dishonesty in violation of subdivision (i) of
5 Section 5100, to pay to the board all reasonable costs of
6 investigation and prosecution of the case, including, but not
7 limited to, attorneys' fees. The board shall not recover costs
8 incurred at the administrative hearing.

9 (b) A certified copy of the actual costs, or a good faith estimate
10 of costs where actual costs are not available, signed by the
11 executive officer, shall be prima facie evidence of reasonable costs
12 of investigation and prosecution of the case.

13 (c) The administrative law judge shall make a proposed finding
14 of the amount of reasonable costs of investigation and prosecution
15 of the case when requested to do so by the executive officer
16 pursuant to subdivision (a). Costs are payable 120 days after the
17 board's decision is final unless otherwise provided for by the
18 administrative law judge or if the time for payment is extended by
19 the board.

20 (d) The finding of the administrative law judge with regard to
21 cost shall not be reviewable by the board to increase the cost award.
22 The board may reduce or eliminate the cost award, or remand to
23 the administrative law judge where the proposed decision fails to
24 make a finding on costs requested by the executive officer pursuant
25 to subdivision (a).

26 (e) The administrative law judge may make a further finding
27 that the amount of reasonable costs awarded shall be reduced or
28 eliminated upon a finding that respondent has demonstrated that
29 he or she cannot pay all or a portion of the costs or that payment
30 of the costs would cause an unreasonable financial hardship which
31 cannot be remedied through a payment plan.

32 (f) When an administrative law judge makes a finding that costs
33 be waived or reduced, he or she shall set forth the factual basis for
34 his or her finding in the proposed decision.

35 (g) Where an order for recovery of costs is made and timely
36 payment is not made as directed by the board's decision, the board
37 may enforce the order for payment in any appropriate court. This
38 right of enforcement shall be in addition to any other rights the
39 board may have as to any holder of a permit or certificate directed
40 to pay costs.



1 (h) In any judicial action for the recovery of costs, proof of the
2 board's decision shall be conclusive proof of the validity of the
3 order of payment and the terms of payment.

4 (i) All costs recovered under this section shall be deposited in
5 the Accountancy Fund.

6 (j) (1) Except as provided in paragraph (2), the board shall not
7 renew or reinstate the permit or certificate of any holder who has
8 failed to pay all of the costs ordered under this section.

9 (2) Notwithstanding paragraph (1), the board may, in its
10 discretion, conditionally renew or reinstate for a maximum of one
11 year the permit or certificate of any holder who demonstrates
12 financial hardship and who enters into a formal agreement with the
13 board to reimburse the board within that one-year period for those
14 unpaid costs.

15 (k) Nothing in this section shall preclude the board from
16 seeking recovery of costs in an order or decision made pursuant to
17 an agreement entered into between the board and the holder of any
18 permit or certificate.

19 ~~SEC. 10.~~

20 *SEC. 13. Section 5115 is added to the Business and*
21 *Professions Code, to read:*

22 *5115. (a) A person whose license has been revoked or*
23 *surrendered may petition the board for reinstatement or reduction*
24 *of penalty after a period of not less than one year has elapsed from*
25 *the effective date of the decision or from the date of the denial of*
26 *a similar petition, unless a longer period, not to exceed three years,*
27 *is specified by the board in any decision revoking the license,*
28 *accepting the surrender of the license, or denying reinstatement of*
29 *the license.*

30 *(b) A person whose license has not been revoked or surrendered*
31 *but who has been disciplined by imposition of a suspension or*
32 *otherwise disciplined may petition the board for reinstatement or*
33 *reduction of penalty after a period of not less than one year has*
34 *elapsed from the effective date of the decision.*

35 *(c) The board shall give notice to the Attorney General of the*
36 *filing of the petition and the Attorney General and the petitioner*
37 *shall be afforded an opportunity to present either oral or written*
38 *argument before the board itself. The board itself shall rule on the*
39 *petition, and the decision shall include the reasons therefor and*
40 *any terms and conditions that the board reasonably deems*



1 *appropriate to impose as a condition of reinstatement or reduction*
2 *of penalty, including, but not limited to, restrictions on the*
3 *petitioner's scope of professional practice.*

4 *SEC. 14.* Section 5134 of the Business and Professions Code
5 is amended to read:

6 5134. The amount of fees prescribed by this chapter is as
7 follows:

8 (a) The fee to be charged to each applicant seeking admission
9 to the certified public accountant examination shall be fixed by the
10 board at an amount to equal the actual cost to the board of the
11 purchase or development of the examination, plus the estimated
12 cost to the board to review and determine an applicant's
13 qualifications to be admitted to the examination and of
14 administering the examination, and shall not exceed six hundred
15 dollars (\$600). The board may charge a reexamination fee equal
16 to the actual cost to the board of the purchase or development of
17 the examination or any of its component parts, plus the estimated
18 cost to the board to review and determine an applicant's
19 qualifications to be readmitted to the examination and of
20 administering the examination, and shall not exceed seventy-five
21 dollars (\$75) for each part that is subject to reexamination.

22 (b) The fee to be charged to out-of-state candidates for the
23 certified public accountant examination shall be fixed by the board
24 at an amount equal to the estimated cost to the board of
25 administering the examination and shall not exceed six hundred
26 dollars (\$600) per candidate.

27 (c) The application fee to be charged to each applicant for
28 issuance of a certified public accountant certificate shall be fixed
29 by the board at an amount equal to the estimated administrative
30 cost to the board of processing and issuing the certificate and shall
31 not exceed two hundred fifty dollars (\$250).

32 (d) The application fee to be charged to each applicant for
33 issuance of a certified public accountant certificate by waiver of
34 examination shall be fixed by the board at an amount equal to the
35 estimated administrative cost to the board of processing and
36 issuing the certificate and shall not exceed two hundred fifty
37 dollars (\$250).

38 (e) The fee to be charged to each applicant for registration as
39 a partnership or professional corporation shall be fixed by the
40 board at an amount equal to the estimated administrative cost to the



1 board of processing and issuing the registration and shall not
2 exceed two hundred fifty dollars (\$250).

3 (f) The board shall fix the biennial renewal fee so that, together
4 with the estimated amount from revenue other than that generated
5 by subdivisions (a) to (e), inclusive, the reserve balance in the
6 board's contingent fund shall be equal to approximately six
7 months of annual authorized expenditures. Any increase in the
8 renewal fee made after July 1, 1990, shall be effective upon a
9 determination by the board, by regulation adopted pursuant to
10 subdivision (k), that additional moneys are required to fund
11 authorized expenditures other than those specified in subdivisions
12 (a) to (e), inclusive, and maintain the board's contingent fund
13 reserve balance equal to six months of estimated annual authorized
14 expenditures in the fiscal year in which the expenditures will
15 occur. The biennial fee for the renewal of each of the permits to
16 engage in the practice of public accountancy specified in Section
17 5070 shall not exceed two hundred fifty dollars (\$250).

18 (g) The delinquency fee shall be 50 percent of the accrued
19 renewal fee.

20 (h) The initial permit fee is an amount equal to the renewal fee
21 in effect on the last regular renewal date before the date on which
22 the permit is issued, except that, if the permit is issued one year or
23 less before it will expire, then the initial permit fee is an amount
24 equal to 50 percent of the renewal fee in effect on the last regular
25 renewal date before the date on which the permit is issued. The
26 board may, by regulation, provide for the waiver or refund of the
27 initial permit fee where the permit is issued less than 45 days
28 before the date on which it will expire.

29 (i) The fee to be charged for the certification of documents
30 evidencing passage of the certified public accountant
31 examination, the certification of documents evidencing the grades
32 received on the certified public accountant examination, or the
33 certification of documents evidencing licensure shall be
34 twenty-five dollars (\$25).

35 (j) The actual and estimated costs referred to in this section
36 shall be calculated every two years using a survey of all costs
37 attributable to the applicable subdivision.

38 (k) Upon the effective date of this section the board shall fix the
39 fees in accordance with the limits of this section and, on and after
40 July 1, 1990, any increase in any fee fixed by the board shall be



1 pursuant to regulation duly adopted by the board in accordance
2 with the limits of this section.

3 (l) Fees collected pursuant to subdivisions (a) to (e), inclusive,
4 shall be fixed by the board in amounts necessary to recover the
5 actual costs of providing the service for which the fee is assessed,
6 as projected for the fiscal year commencing on the date the fees
7 become effective.

8 ~~SEC. 11.~~

9 *SEC. 15. Section 7583.6 of the Business and Professions*
10 *Code, as added by Section 3 of Chapter 886 of the Statutes of 2002,*
11 *is amended to read:*

12 7583.6. (a) A person entering the employ of a licensee to
13 perform the functions of a security guard or a security patrolperson
14 shall complete a course in the exercise of the power to arrest prior
15 to being assigned to a duty location.

16 (b) Except for a registrant who has completed the course of
17 training required by Section 7583.45, a person registered pursuant
18 to this chapter shall complete not less than 32 hours of training in
19 security officer skills within six months from the day the
20 registration card is issued. Sixteen of the 32 hours must be
21 completed within 30 days from the day the registration card is
22 issued.

23 (c) A course provider shall issue a certificate to a security guard
24 upon satisfactory completion of a required course, conducted in
25 accordance with the department's requirements. A private patrol
26 operator may provide training programs and courses in addition to
27 the training required in this section.

28 (d) The department shall develop and approve by regulation a
29 standard course and curriculum for the skills training required by
30 subdivision (b) to promote and protect the safety of persons and the
31 security of property. For this purpose, the department shall consult
32 with consumers, labor organizations representing private security
33 officers, private patrol operators, educators, and subject matter
34 experts.

35 (e) The course of training required by subdivision (b) may be
36 administered, tested, and certified by any licensee, or by any
37 organization or school approved by the department. The
38 department may approve any person or school to teach the course.

39 (f) (1) On and after January 1, 2005, a licensee shall annually
40 provide each employee registered pursuant to this chapter with



1 eight hours of specifically dedicated review or practice of security
2 officer skills prescribed in either course required in Section 7583.6
3 or 7583.7.

4 (2) A licensee shall maintain at the principal place of business
5 or branch office a record verifying completion of the review or
6 practice training for a period of not less than two years. The records
7 shall be available for inspection by the bureau upon request.

8 (g) This section ~~shall~~ *does* not apply to a peace officer as
9 defined in Chapter 4.5 (commencing with Section 830) of Title 3
10 of Part 2 of the Penal Code who has successfully completed a
11 course of study in the exercise of the power to arrest approved by
12 the Commission on Peace Officer Standards and Training. *This*
13 *section does not apply to armored vehicle guards.*

14 (h) This section shall become operative on July 1, 2004.

15 *SEC. 16.* Section 7583.9 of the Business and Professions
16 Code is amended to read:

17 7583.9. (a) Upon accepting employment by a private patrol
18 operator, any employee who performs the function of a security
19 guard or security patrolperson who is not currently registered with
20 the bureau, shall complete an application for registration on a form
21 as prescribed by the director, and obtain two classifiable
22 fingerprint cards for submission to the Department of Justice. The
23 applicant shall submit the application, the registration fee, and his
24 or her fingerprints to the bureau. The bureau shall forward the
25 classifiable fingerprint cards to the Department of Justice. The
26 Department of Justice shall forward one classifiable fingerprint
27 card to the Federal Bureau of Investigation for purposes of a
28 background check.

29 (b) If a private patrol operator pays the application fee on
30 behalf of the applicant, nothing in this section shall preclude the
31 private patrol operator from withholding the amount of the fee
32 from the applicant's compensation.

33 (c) The licensee shall maintain supplies of applications and
34 fingerprint cards that shall be provided by the bureau upon request.

35 (d) In lieu of classifiable fingerprint cards provided for in this
36 section, the bureau may authorize applicants to submit their
37 fingerprints into an electronic fingerprinting system administered
38 by the Department of Justice. Applicants who submit their
39 fingerprints by electronic means shall have their fingerprints
40 entered into the system through a terminal operated by a law



1 enforcement agency or other facility authorized by the Department
2 of Justice to conduct electronic fingerprinting. The enforcement
3 agency responsible for operating the terminal may charge a fee
4 sufficient to reimburse it for the costs incurred in providing this
5 service.

6 (e) Upon receipt of an applicant's electronic or hard card
7 fingerprints as provided in this section, the Department of Justice
8 shall disseminate the following information to the bureau:

9 (1) Every conviction rendered against the applicant.

10 (2) Every arrest for an offense for which the applicant is
11 presently awaiting trial, whether the applicant is incarcerated or
12 has been released on bail or on his or her own recognizance
13 pending trial.

14 (f) (1) The requirement in subdivision (a) to submit a
15 fingerprint card does not apply to any of the following:

16 (A) A currently employed, full-time peace officer holding
17 peace officer status under Chapter 4.5 (commencing with Section
18 830) of Title 3 of Part 2 of the Penal Code.

19 (B) A level I or level II reserve officer under paragraphs (1) and
20 (2) of subdivision (a) of Section 832.6 of the Penal Code.

21 (2) This subdivision does not apply to a peace officer required
22 to obtain a firearm qualification card pursuant to Section 7583.12.

23 (g) Peace officers exempt from the submission of classifiable
24 fingerprints pursuant to subdivision (f) shall submit verification of
25 their active duty peace officer status to the bureau with their
26 application for registration. A photocopy of the front and back of
27 their peace officer identification badge shall be adequate
28 verification.

29 (h) Peace officers exempt from the submission of classifiable
30 fingerprints pursuant to subdivision (f) shall report a change in
31 their active duty peace officer status to the bureau within 72 hours
32 of the change in active duty peace officer status.

33 (i) (1) Peace officers exempt from obtaining a firearm
34 qualification card pursuant to subdivision (c) of Section 7583.12
35 shall submit to the bureau with their application for registration a
36 letter of approval from his or her primary employer authorizing
37 him or her to carry a firearm while working as a security guard or
38 security officer.



1 (2) For purposes of this section, “primary employer” means a
2 public safety agency currently employing a peace officer subject
3 to this section.

4 (j) In addition to the amount authorized pursuant to Section
5 7570.1, the bureau may impose an additional fee not to exceed
6 three dollars (\$3) for processing classifiable fingerprint cards
7 submitted by applicants excluding those submitted into an
8 electronic fingerprint system using electronic fingerprint
9 technology.

10 (k) An employee shall, on the first day of employment, display
11 to the client his or her registration card if it is feasible and practical
12 to comply with this disclosure requirement. The employee shall
13 thereafter display to the client his or her registration card upon the
14 request of the client.

15 ~~SEC. 12.~~

16 *SEC. 17.* This act is an urgency statute necessary for the
17 immediate preservation of the public peace, health, or safety
18 within the meaning of Article IV of the Constitution and shall go
19 into immediate effect. The facts constituting the necessity are:

20 In order that the regulatory changes proposed by this act may
21 take effect as soon as possible, it is necessary that this act take
22 effect immediately.

