

Senate Bill No. 1077

CHAPTER 291

An act to amend Sections 125.9, 7591.18, 7591.19, and 7599.70 of, to amend, repeal, and add Sections 7590.1, 7591.10, 7593.1, 7593.6, 7593.7, 7594.4, 7599.32, 7599.34, 7599.42, 7599.43, 7599.48, and 7599.61 of, and to add Sections 7591.13, 7593.5, 7593.15, and 7593.16 to, the Business and Professions Code, relating to alarm companies.

[Approved by Governor September 11, 2012. Filed with
Secretary of State September 11, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1077, Price. Alarm companies: limited liability companies.

Existing law, the Beverly-Killea Limited Liability Company Act, authorizes a limited liability company to engage in any lawful business activity, except as specified, but prohibits construing the act to permit a limited liability company to render professional services, as defined. Existing law also authorizes a limited liability company to render services that may be lawfully rendered only pursuant to a license, certificate, or registration authorized by the Business and Professions Code if the provisions of that code authorize a limited liability company to hold that license, certificate, or registration.

Existing law, the Alarm Company Act, provides for the licensure, registration, and regulation of alarm company operators and alarm agents by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of the act a crime. Existing law prohibits an alarm company operator from transferring his or her license, as specified.

This bill would, until January 1, 2016, authorize the bureau to issue an alarm company operator license to a limited liability company and would make related conforming changes. The bill would require a limited liability alarm company to maintain specified insurance and to submit specified information and documentation to the bureau. A failure of a limited liability alarm company to comply with these requirements would render the company's license subject to suspension, and would expose the members of the limited liability alarm company to personal liability for damages to 3rd parties, as specified. Because a violation of the Alarm Company Act by a limited liability company would be a crime, the bill would expand the scope of a crime and would thereby impose a state-mandated local program.

The bill would specify that an alarm company operator license is not assignable, but would authorize an operator who receives consent from the bureau, as specified, to assign the license to another business entity if the

owners of the assignor own all of the assignee immediately after the assignment.

Existing law requires the Governor to appoint an Alarm Company Operator Disciplinary Review Committee and requires the committee to affirm, rescind, or modify all appealed decisions concerning administrative fines assessed by the bureau and all appealed decisions concerning denial, revocation, or suspension of licenses, certificates, registrations, or permits issued by the bureau, as specified.

This bill would authorize the committee to grant a probationary license, certificate, registration, or permit with respect to those appealed decisions.

Existing law authorizes the Director of Consumer Affairs to deny a license where the applicant has committed specified acts. Existing law also authorizes the director to refuse to issue a license to any applicant pending final disposition of any investigation of criminal activity or of any disciplinary action previously filed against the applicant, as specified.

This bill would authorize the director to grant a probationary license, registration, certificate, or permit to an applicant subject to specified terms and conditions. The bill would require the director, when considering the granting of a probationary license, registration, certificate, or permit, to request that an applicant with a dismissed conviction provide proof of that dismissal and would require that special consideration be given to applicants whose convictions have been dismissed, as specified. The bill would require the director to develop standard terms of probation, as specified.

Existing law authorizes a board, bureau, or commission within the Department of Consumer Affairs to establish a system for the issuance of a citation to a licensee where the licensee is in violation of the applicable licensing act or regulation adopted thereunder, except with respect to a person regulated under the Alarm Company Act.

This bill would remove the exception for a person regulated under the Alarm Company Act.

Existing law also authorizes a board, bureau, or commission within the Department of Consumer Affairs to establish a similar system for the issuance of an administrative citation to an unlicensed person who is acting in the capacity of a licensee or registrant under the jurisdiction of the board, bureau, or commission. Existing law requires an advertisement by a licensed alarm company soliciting or advertising business to contain his or her name and license number and prohibits a licensee from making any untrue or misleading statements.

This bill would authorize the Chief of the Bureau of Security and Investigative Services to issue a citation against any person who is acting in the capacity of a licensee, registrant, permitholder, or certificate holder under the alarm company jurisdiction of the bureau without a license, registration, permit, or certificate and against any person who advertises for the purpose of soliciting business as an alarm company operator without a license, as specified. The bill would make other related changes.

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.

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

SECTION 1. Section 125.9 of the Business and Professions Code is amended to read:

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

(b) The system shall contain the following provisions:

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

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

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

(4) A citation or fine assessment issued pursuant to a citation shall inform the licensee that if he or she desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the board, bureau, or commission within 30 days of the date of issuance of the citation or assessment. If a hearing is not requested pursuant to this section, payment of any fine shall not constitute an admission of the violation charged. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(5) Failure of a licensee to pay a fine within 30 days of the date of assessment, unless the citation is being appealed, may result in disciplinary action being taken by the board, bureau, or commission. Where a citation is not contested and a fine is not paid, the full amount of the assessed fine

shall be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee and fine.

(c) The system may contain the following provisions:

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

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

(d) Notwithstanding any other provision of law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

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

SEC. 2. Section 7590.1 of the Business and Professions Code is amended to read:

7590.1. The following terms as used in this chapter have the meaning expressed in this article:

(a) "Person" means any individual, firm, company, association, organization, partnership, limited liability company, or corporation.

(b) "Department" means the Department of Consumer Affairs.

(c) "Director" means the Director of Consumer Affairs.

(d) "Bureau" means the Bureau of Security and Investigative Services.

(e) "Chief" means the Chief of the Bureau of Security and Investigative Services.

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the employer's payroll records, and withholds all legally required deductions and contributions.

(g) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's direction and control.

(h) "Employer-employee relationship" means an individual who works for another and where the individual's name appears on the payroll records of the employer.

(i) "Licensee" means a business entity, whether an individual, partnership, limited liability company, or corporation licensed under this chapter.

(j) "Qualified manager" means an individual who is in active control, management, and direction of the licensee's business, and who is in possession of a current and valid qualified manager's certificate pursuant to this chapter.

(k) "Registrant" means any person registered or who has applied for registration under this chapter.

(l) "Branch office" means any location, other than the principal place of business of the licensee, which is licensed as set forth in Article 11 (commencing with Section 7599.20).

(m) "Branch office manager" means an individual designated by the qualified manager to manage the licensee's branch office and who has met

the requirements as set forth in Article 11 (commencing with Section 7599.20).

(n) “Alarm system” means an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention and to which police are expected to respond.

(o) “Alarm agent” means a person employed by an alarm company operator whose duties include selling on premises, altering, installing, maintaining, moving, repairing, replacing, servicing, responding, or monitoring an alarm system, or a person who manages or supervises a person employed by an alarm company to perform any of the duties described in this subdivision or any person in training for any of the duties described in this subdivision.

(p) “Deadly weapon” means and includes any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol, revolver, or any other firearm; any knife having a blade longer than five inches; any razor with an unguarded blade; or any metal pipe or bar used or intended to be used as a club.

(q) “Firearms permit” means a permit issued by the bureau, pursuant to Article 6 (commencing with Section 7596), to a licensee, a qualified manager, or an alarm agent, to carry an exposed firearm while on duty.

(r) (1) “Advertisement” means:

(A) Any written or printed communication for the purpose of soliciting, describing, or promoting the licensed business of the licensee, including a brochure, letter, pamphlet, newspaper, periodical, publication, or other writing.

(B) A directory listing caused or permitted by the licensee which indicates his or her licensed activity.

(C) A radio, television, or similar airwave transmission which solicits or promotes the licensed business of the licensee.

(2) “Advertisement” does not include any of the following:

(A) Any printing or writing used on buildings, vehicles, uniforms, badges, or other property where the purpose of the printing or writing is identification.

(B) Any printing or writing on communications, memoranda, or any other writings used in the ordinary course of business where the sole purpose of the writing is other than the solicitation or promotion of business.

(C) Any printing or writing on novelty objects used in the promotion of the licensee’s business where the printing of the information required by this chapter would be impractical due to the available area or surface.

(s) “Residential sales agreement” means and includes an agreement between an alarm company operator and an owner or tenant for the purchase of an alarm system to be utilized in the personal residence of the owner or tenant.

(t) “Firearm permit” means and includes “firearms permit,” “firearms qualification card,” “firearms qualification,” and “firearms qualification permit.”

(u) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 3. Section 7590.1 is added to the Business and Professions Code, to read:

7590.1. The following terms as used in this chapter have the meaning expressed in this article:

(a) “Person” means any individual, firm, company, association, organization, partnership, limited liability company, or corporation.

(b) “Department” means the Department of Consumer Affairs.

(c) “Director” means the Director of Consumer Affairs.

(d) “Bureau” means the Bureau of Security and Investigative Services.

(e) “Chief” means the Chief of the Bureau of Security and Investigative Services.

(f) “Employer” means a person who employs an individual for wages or salary, lists the individual on the employer’s payroll records, and withholds all legally required deductions and contributions.

(g) “Employee” means an individual who works for an employer, is listed on the employer’s payroll records, and is under the employer’s direction and control.

(h) “Employer-employee relationship” means an individual who works for another and where the individual’s name appears on the payroll records of the employer.

(i) “Licensee” means a business entity, whether an individual, partnership, or corporation licensed under this chapter.

(j) “Qualified manager” means an individual who is in active control, management, and direction of the licensee’s business, and who is in possession of a current and valid qualified manager’s certificate pursuant to this chapter.

(k) “Registrant” means any person registered or who has applied for registration under this chapter.

(l) “Branch office” means any location, other than the principal place of business of the licensee, which is licensed as set forth in Article 11 (commencing with Section 7599.20).

(m) “Branch office manager” means an individual designated by the qualified manager to manage the licensee’s branch office and who has met the requirements as set forth in Article 11 (commencing with Section 7599.20).

(n) “Alarm system” means an assembly of equipment and devices arranged to signal the presence of a hazard requiring urgent attention and to which police are expected to respond.

(o) “Alarm agent” means a person employed by an alarm company operator whose duties include selling on premises, altering, installing, maintaining, moving, repairing, replacing, servicing, responding, or monitoring an alarm system, or a person who manages or supervises a person employed by an alarm company to perform any of the duties described in

this subdivision or any person in training for any of the duties described in this subdivision.

(p) “Deadly weapon” means and includes any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles; any dirk, dagger, pistol, revolver, or any other firearm; any knife having a blade longer than five inches; any razor with an unguarded blade; or any metal pipe or bar used or intended to be used as a club.

(q) “Firearms permit” means a permit issued by the bureau, pursuant to Article 6 (commencing with Section 7596), to a licensee, a qualified manager, or an alarm agent, to carry an exposed firearm while on duty.

(r) (1) “Advertisement” means:

(A) Any written or printed communication for the purpose of soliciting, describing, or promoting the licensed business of the licensee, including a brochure, letter, pamphlet, newspaper, periodical, publication, or other writing.

(B) A directory listing caused or permitted by the licensee which indicates his or her licensed activity.

(C) A radio, television, or similar airwave transmission which solicits or promotes the licensed business of the licensee.

(2) “Advertisement” does not include any of the following:

(A) Any printing or writing used on buildings, vehicles, uniforms, badges, or other property where the purpose of the printing or writing is identification.

(B) Any printing or writing on communications, memoranda, or any other writings used in the ordinary course of business where the sole purpose of the writing is other than the solicitation or promotion of business.

(C) Any printing or writing on novelty objects used in the promotion of the licensee’s business where the printing of the information required by this chapter would be impractical due to the available area or surface.

(s) “Residential sales agreement” means and includes an agreement between an alarm company operator and an owner or tenant for the purchase of an alarm system to be utilized in the personal residence of the owner or tenant.

(t) “Firearm permit” means and includes “firearms permit,” “firearms qualification card,” “firearms qualification,” and “firearms qualification permit.”

(u) This section shall become operative on January 1, 2016.

SEC. 4. Section 7591.10 of the Business and Professions Code is amended to read:

7591.10. (a) The director may deny a license, certificate, or registration regulated by this chapter on the grounds that the applicant has done any of the following:

(1) Knowingly made a false statement of fact required to be revealed in the application for a license.

(2) Been convicted of a crime. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of

nolo contendere. Any action which the bureau is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(3) Done any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself, herself, or another, or to substantially injure another.

(4) Done any act which if done by a licensee would be grounds for suspension or revocation of a license.

(5) Done any act without a license for which a license is required under this chapter.

(6) Been refused a license under this chapter or had a license revoked.

(7) Been an officer, partner, managing member, or manager of any person who has been refused a license under this chapter or whose license has been suspended or revoked.

The bureau may deny a license, certificate, or registration pursuant to this section only if the crime or act is substantially related to the qualifications, functions, or duties of the license, certificate, or registration for which application has been made.

The denial of a license, certificate, or registration shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the disciplinary review committee the review shall be requested within 30 days of the issuance of the denial. A review shall be held pursuant to the provisions of Section 7591.19.

(b) Notwithstanding any other provision of this chapter, no person shall be denied a license, certificate, or registration solely on the basis that he or she has been convicted of a felony, if he or she has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code, or solely on the basis that he or she has been convicted of a misdemeanor, if he or she has met all applicable requirements of the criteria of rehabilitation as provided in Section 7591.12.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 5. Section 7591.10 is added to the Business and Professions Code, to read:

7591.10. (a) The director may deny a license, certificate, or registration regulated by this chapter on the grounds that the applicant has done any of the following:

(1) Knowingly made a false statement of fact required to be revealed in the application for a license.

(2) Been convicted of a crime. A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the bureau is permitted to take following the establishment of a conviction may be taken when the time for appeal

has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code.

(3) Done any act involving dishonesty, fraud, or deceit with the intent to substantially benefit himself, herself, or another, or to substantially injure another.

(4) Done any act which if done by a licensee would be grounds for suspension or revocation of a license.

(5) Done any act without a license for which a license is required under this chapter.

(6) Been refused a license under this chapter or had a license revoked.

(7) Been an officer, partner, or manager of any person who has been refused a license under this chapter or whose license has been suspended or revoked.

The bureau may deny a license, certificate, or registration pursuant to this section only if the crime or act is substantially related to the qualifications, functions, or duties of the license, certificate, or registration for which application has been made.

The denial of a license, certificate, or registration shall be in writing and shall describe the basis for the denial. The denial shall inform the applicant that if he or she desires a review by the disciplinary review committee the review shall be requested within 30 days of the issuance of the denial. A review shall be held pursuant to the provisions of Section 7591.19.

(b) Notwithstanding any other provision of this chapter, no person shall be denied a license, certificate, or registration solely on the basis that he or she has been convicted of a felony, if he or she has obtained a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code, or solely on the basis that he or she has been convicted of a misdemeanor, if he or she has met all applicable requirements of the criteria of rehabilitation as provided in Section 7591.12.

(c) This section shall become operative on January 1, 2016.

SEC. 6. Section 7591.13 is added to the Business and Professions Code, to read:

7591.13. (a) The chief or his or her designee may issue a citation, in accordance with Section 148, against a person who is not otherwise exempt under this chapter and is acting or offering to act in the capacity of a licensee, registrant, permitholder, or certificate holder under this chapter without a valid license, registration, permit, or certificate, as applicable, under this chapter.

(b) The chief or his or her designee may issue a citation against a person who places, or causes to be placed, an advertisement in any written, printed, or verbal communication for the purposes of soliciting business as an alarm company operator without a license under or an exemption from this chapter.

(c) A citation issued under this section may contain an assessment of an administrative fine up to five thousand dollars (\$5,000) or, where appropriate,

an order of abatement fixing a reasonable period of time not to exceed 30 days for abatement, or both that fine and order of abatement.

(d) A citation issued under this section shall meet the following requirements:

(1) Be in writing and describe with particularity the nature of the violation, including specific reference to the provision of this chapter or the regulation adopted thereunder determined to have been violated.

(2) Inform the cited person that if he or she desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the bureau within 30 days of the issuance of the citation.

(3) Inform the cited person that if he or she desires an informal conference with the chief or his or her designee to contest the finding of a violation, that informal conference shall be requested by written notice to the bureau within 10 days of the issuance of the citation.

(4) Be served upon the cited person in person or by certified mail.

(e) The chief or his or her designee shall consider the following factors when determining the amount of an administrative fine under this section:

(1) The good or bad faith exhibited by the cited person.

(2) The nature and severity of the violation.

(3) Evidence that the violation was willful.

(4) History of violations of the same or similar nature.

(5) The extent to which the cited person has cooperated with the bureau.

(6) The extent to which the cited person has mitigated or attempted to mitigate any damage or injury caused by his or her violation.

(7) Any other factors as justice may require.

(f) The time allowed for abatement of a citation issued under this section shall begin the first day after the order of abatement has been served. If a cited person who has been issued an order of abatement is unable to complete the correction within the timeframe set forth in the citation because of conditions beyond his or her control after the exercise of reasonable diligence, the person cited may request any extension of time in which to complete the correction from the chief or his or her designee. The request for an extension shall be in writing and shall be made within the timeframe set forth for abatement.

(g) If a person cited pursuant to this section desires a hearing to contest the citation, the cited person shall, within 30 days after service of the citation, file in writing a request for an administrative hearing to the chief or his or her designee regarding the acts charged in the citation, in accordance with paragraph (4) of subdivision (b) of Section 125.9.

(h) (1) In addition to, or instead of, requesting an administrative hearing, as provided for in subdivision (d), a person cited pursuant to this section may, within 10 days after service of the citation, contest the citation by submitting a written request for an informal citation conference to the chief or his or her designee.

(2) Upon receipt of a written request for an informal citation conference pursuant to paragraph (1), the chief or his or her designee shall, within 30 days, hold an informal citation conference with the cited person. If an

informal citation conference is held, the chief or his or her designee may affirm, modify, or dismiss the citation, including any fine levied or order of abatement issued, at the conclusion of the informal citation conference. If affirmed or modified, the citation originally issued shall be considered withdrawn and an affirmed or modified citation shall be mailed to the cited person and his or her legal counsel, if any, within 15 days of the date of the informal citation conference.

(3) If a cited person wishes to contest a citation that is affirmed or modified pursuant to paragraph (2), the person shall, within 30 days of receiving the affirmed or modified citation, file in writing a request for an administrative hearing to the chief or his or her designee regarding the acts charged in the affirmed or modified citation, in accordance with paragraph (4) of subdivision (b) of Section 125.9.

(4) A cited person shall not request a subsequent informal conference with respect to a citation that is modified or affirmed during an informal conference under this subdivision.

(i) When an order of abatement is not contested or if the order is appealed and the person or entity cited does not prevail, failure to abate the violation charged within the timeframe specified in the citation or within 30 days after the appeal, whichever is later, shall constitute a violation and failure to comply with the order of abatement.

(j) This section shall not apply to a violation of this chapter that is subject to Section 7591.9.

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

(l) Administrative fines collected pursuant to this section shall be deposited in the Private Security Services Fund.

SEC. 7. Section 7591.18 of the Business and Professions Code is amended to read:

7591.18. (a) The Alarm Company Operator Disciplinary Review Committee shall perform the following functions:

(1) Affirm, rescind, or modify all appealed decisions concerning administrative fines assessed by the bureau against alarm company operators or their employees.

(2) Affirm, rescind, or modify all appealed decisions concerning denial, revocation, or suspension of licenses, and certificates, registrations, or permits issued by the bureau, except denials or suspensions ordered by the director in accordance with Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code.

(b) The Alarm Company Operator Disciplinary Review Committee may grant a probationary license, certificate, registration, or permit with respect to the appealed decisions described in subdivision (a).

SEC. 8. Section 7591.19 of the Business and Professions Code is amended to read:

7591.19. (a) (1) An alarm company operator, qualified manager, or alarm agent may request a review by the Alarm Company Operator Disciplinary Review Committee to contest the assessment of an

administrative fine, unless the fine is assessed pursuant to Section 7591.13, or to appeal a denial, revocation, or suspension, unless the denial or suspension is ordered by the director in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code or in accordance with Section 7591.8 of this code.

(2) A request for a review shall be by written notice to the bureau within 30 days of the issuance of the citation and assessment, denial, or suspension.

(3) Following a review by the disciplinary review committee, the appellant shall be notified within 30 days, in writing, by regular mail, of the committee's decision.

(4) If the appellant disagrees with the decision made by the Alarm Company Operator Disciplinary Review Committee, he or she may request a hearing as outlined in subdivision (b). A request for a hearing following a decision by the disciplinary review committee shall be by written notice to the bureau within 30 days of the committee's decision.

(5) If the appellant does not request a hearing within 30 days, the review committee's decision shall become final.

(b) (1) An alarm company operator, qualified manager, or alarm agent may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code if he or she contests an assessment of an administrative fine, or to appeal a denial, suspension, or revocation. A hearing may also be requested if the appellant disagrees with the decision made by the Alarm Company Operator Disciplinary Review Committee.

(2) A request for a hearing shall be by written notice to the bureau within 30 days of the issuance of the decision by the review committee. A hearing pursuant to this subdivision shall be available only after a review by the disciplinary review committee.

SEC. 9. Section 7593.1 of the Business and Professions Code is amended to read:

7593.1. (a) Each individual applicant and each qualified manager, partner of a partnership, designated officer of a corporation, and designated officer and managing member of a limited liability company shall submit with the application one personal identification form provided by the chief, upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 10. Section 7593.1 is added to the Business and Professions Code, to read:

7593.1. (a) Each individual applicant and each qualified manager, partner of a partnership, and designated officer of a corporation shall submit with the application, one personal identification form provided by the chief upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall become operative on January 1, 2016.

SEC. 11. Section 7593.5 is added to the Business and Professions Code, to read:

7593.5. If the applicant for a license is a limited liability company, the application shall state the true names and complete residence addresses of the managing members and any other officers and members who will be active in the business to be licensed. A copy of the articles of organization issued by the Secretary of State shall be supplied to the bureau upon request. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized member of the applicant under penalty of perjury.

SEC. 12. Section 7593.6 of the Business and Professions Code is amended to read:

7593.6. (a) The director may refuse to issue a license to an applicant pending final disposition of an investigation of criminal activity or of a disciplinary action previously filed against the person or applicant or against a qualified manager, partner, managing member, or officer of the applicant.

(b) A new alarm company operator license, qualified manager certificate, or alarm agent registration shall be subject to payment of any and all fines assessed pursuant to this section and not resolved in accordance with the provisions of this section and payment of all applicable fees.

(c) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 13. Section 7593.6 is added to the Business and Professions Code, to read:

7593.6. (a) The director may refuse to issue a license to an applicant pending final disposition of an investigation of criminal activity or of a disciplinary action previously filed against the person or applicant or against a qualified manager, partner, or officer of the applicant.

(b) A new alarm company operator license, qualified manager certificate, or alarm agent registration shall be subject to payment of any and all fines assessed pursuant to this section and not resolved in accordance with the provisions of this section and payment of all applicable fees.

(c) This section shall become operative on January 1, 2016.

SEC. 14. Section 7593.7 of the Business and Professions Code is amended to read:

7593.7. (a) The chief shall issue a pocket identification card to the owner, partners, officers, managing members, and qualified manager. The chief shall determine the form and content of the card. A photo identification card will be furnished to any owner, partner, officer, managing member, qualified manager, or branch office manager upon written request and payment of the fee prescribed by this chapter.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 15. Section 7593.7 is added to the Business and Professions Code, to read:

7593.7. (a) The chief shall issue a pocket identification card to the owner, partners, officers, and qualified manager. The chief shall determine the form and content of the card. A photo identification card will be furnished to any owner, partner, officer, qualified manager, or branch office manager upon written request and payment of the fee prescribed by this chapter.

(b) This section shall become operative on January 1, 2016.

SEC. 16. Section 7593.15 is added to the Business and Professions Code, to read:

7593.15. (a) Except as provided in this section, an alarm company operator license issued under this chapter is not assignable.

(b) An alarm company operator may apply to the chief for consent and, upon receipt of the consent and payment of the processing fee authorized by Section 7599.70, may assign a license to another business entity as long as the direct and indirect owners of the assignor own all of the assignee immediately after the assignment.

SEC. 17. Section 7593.16 is added to the Business and Professions Code, to read:

7593.16. (a) Notwithstanding any other provision of law, the director may, in his or her sole discretion, grant a probationary license, certificate, registration, or permit to an applicant subject to terms and conditions deemed appropriate by the director, including, but not limited to, the following:

- (1) Continuing medical, psychiatric, or psychological treatment.
- (2) Ongoing participation in a specified rehabilitation program.
- (3) Abstention from the use of alcohol or drugs.
- (4) Compliance with all provisions of this chapter.

(b) (1) Notwithstanding any other provision of law, and for purposes of this section, when deciding whether to grant a probationary license, certificate, registration, or permit, the director shall request that an applicant with a dismissed conviction provide proof of that dismissal and shall give special consideration to applicants whose convictions have been dismissed pursuant to Section 1203.4 or 1203.4a of the Penal Code.

(2) The director shall also take into account and consider any other reasonable documents or individual character references provided by the applicant that may serve as evidence of rehabilitation as deemed appropriate by the director.

(c) The director may modify or terminate the terms and conditions imposed on the probationary license, certificate, registration, or permit upon receipt of a petition from the applicant or licensee, certificate holder, registrant, or permitholder.

(d) For purposes of granting a probationary license, certificate, registration, or permit to qualified new applicants, the director shall develop standard terms of probation that shall include, but not be limited to, the following:

(1) A three-year limit on the individual probationary license, certificate, registration, or permit.

(2) A process to obtain a standard license, certificate, registration, or permit for applicants who were issued a probationary license, certificate, registration, or permit.

(3) Supervision requirements.

(4) Compliance and quarterly reporting requirements.

SEC. 18. Section 7594.4 of the Business and Professions Code is amended to read:

7594.4. (a) Except as herein otherwise provided, no individual shall be in active charge of the business if the individual has ever had a license revoked for cause or has ever been disqualified from further employment in the alarm company operator business pursuant to this chapter, or was a qualified manager, partner, managing member, or officer of a business whose license has been revoked.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 19. Section 7594.4 is added to the Business and Professions Code, to read:

7594.4. (a) Except as herein otherwise provided, no individual shall be in active charge of the business if the individual has ever had a license revoked for cause or has ever been disqualified from further employment in the alarm company operator business pursuant to this chapter, or was a qualified manager, partner, or officer of a business whose license has been revoked.

(b) This section shall become operative on January 1, 2016.

SEC. 20. Section 7599.32 of the Business and Professions Code is amended to read:

7599.32. (a) A licensee shall notify the bureau within 30 days of any change of its officers or members required to be named pursuant to Section 7593.4 or 7593.5 and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers, managing members, and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer, managing member, or partner has committed any act which constitutes grounds for the denial of a license pursuant to Section 7591.10.

(c) A notice of warning may be issued for the first violation of this section and a fine of twenty-five dollars (\$25) for each subsequent violation.

(d) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 21. Section 7599.32 is added to the Business and Professions Code, to read:

7599.32. (a) A licensee shall notify the bureau within 30 days of any change of its officers required to be named pursuant to Section 7593.4 and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer or partner has committed any act which constitutes grounds for the denial of a license pursuant to Section 7591.10.

(c) A notice of warning may be issued for the first violation of this section and a fine of twenty-five dollars (\$25) for each subsequent violation.

(d) This section shall become operative on January 1, 2016.

SEC. 22. Section 7599.34 of the Business and Professions Code is amended to read:

7599.34. (a) No licensee shall conduct a business as an individual, partnership, limited liability company, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, limited liability company, or corporation. A violation of this section may result in a fine of one hundred dollars (\$100) for each violation.

(b) As a condition of the issuance, reinstatement, reactivation, or continued valid use of a license under this chapter, a limited liability company shall, in accordance with the provisions of this section, maintain a policy or policies of insurance against liability imposed on or against it by law for damages arising out of claims based upon acts, errors, or omissions arising out of the alarm company services it provides.

(c) The total aggregate limit of liability under the policy or policies of insurance required under this section shall be as follows:

(1) For a limited liability company licensee with five or fewer persons named as managing members pursuant to Section 7593.5 or 7599.32, the aggregate limit shall not be less than one million dollars (\$1,000,000).

(2) For a limited liability company licensee with more than five persons named as managing members pursuant to Section 7593.5 or 7599.32, an

additional one hundred thousand dollars (\$100,000) of insurance shall be obtained for each person named as managing members of the licensee except that the maximum amount of insurance is not required to exceed five million dollars (\$5,000,000) in any one designated period, less amounts paid in defending, settling, or discharging claims as set forth under this section.

(d) Prior to the issuance, reinstatement, or reactivation of a limited liability company license as provided under this chapter, the applicant or licensee shall, in the manner prescribed by the bureau, submit the information and documentation required by this section and requested by the bureau, demonstrating compliance with the financial security requirements specified by this section.

(e) For any insurance policy secured by a licensee in satisfaction of this section, a Certificate of Liability Insurance, signed by an authorized agent or employee of the insurer, shall be submitted electronically or otherwise to the bureau. The insurer issuing the certificate shall report to the bureau the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, the date and amount of any payment of claims, and cancellation date if applicable.

(f) If a licensee fails to maintain sufficient insurance as required by this section, the license is subject to suspension.

(g) Where the license of a limited liability company is suspended pursuant to subdivision (f), each member of the limited liability company shall be personally liable up to one million dollars (\$1,000,000) each for damages resulting to third parties in connection with the company's performance, during the period of suspension, of any act or contract where a license is required by this chapter.

(h) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 23. Section 7599.34 is added to the Business and Professions Code, to read:

7599.34. (a) No licensee shall conduct a business as an individual, partnership, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, or corporation. A violation of this section may result in a fine of one hundred dollars (\$100) for each violation.

(b) This section shall become operative on January 1, 2016.

SEC. 24. Section 7599.42 of the Business and Professions Code is amended to read:

7599.42. (a) Within seven days after any violent incident involving a dangerous weapon that has been caused by or occurred upon a licensee or any officer, partner, managing member, qualified manager, or employee of a licensee, while acting within the course and scope of his or her employment, and that results in bodily injury to any person or death of any person involved in that incident or of any discharge of a weapon, excluding any discharge which occurs on the range, the licensee or his or her manager

shall mail or deliver to the chief a detailed report of the incident. The report shall describe fully the circumstances surrounding the incident, any injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 25. Section 7599.42 is added to the Business and Professions Code, to read:

7599.42. (a) Within seven days after any violent incident involving a dangerous weapon, that has been caused by or occurred upon a licensee or any officer, partner, qualified manager, or employee of a licensee, while acting within the course and scope of his or her employment, and that results in bodily injury to any person or death of any person involved in that incident or of any discharge of a weapon, excluding any discharge which occurs on the range, the licensee or his or her manager shall mail or deliver to the chief a detailed report of the incident. The report shall describe fully the circumstances surrounding the incident, any injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall become operative on January 1, 2016.

SEC. 26. Section 7599.43 of the Business and Professions Code is amended to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, managing member, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 27. Section 7599.43 is added to the Business and Professions Code, to read:

7599.43. (a) Within seven days after receiving a final civil court judgment filed against the licensee or any officer, partner, qualified manager, or employee of a licensee for an amount of more than five hundred dollars (\$500) pertaining to any act done within the course and scope of his or her employment that may be in violation of this chapter, the licensee or his or her manager shall mail or deliver to the chief a copy of the judgment. A

violation of this section may result in a fine of twenty-five dollars (\$25) for the first violation and one hundred dollars (\$100) for each subsequent violation.

(b) This section shall become operative on January 1, 2016.

SEC. 28. Section 7599.48 of the Business and Professions Code is amended to read:

7599.48. (a) No licensee, or officer, partner, managing member, manager, or employee of a licensee, shall knowingly make any false report to his or her employer or client for whom information is being obtained. A violation of this section may result in a fine of one hundred dollars (\$100) for the first violation, and five hundred dollars (\$500) for each subsequent violation.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 29. Section 7599.48 is added to the Business and Professions Code, to read:

7599.48. (a) No licensee, or officer, partner, manager, or employee of a licensee, shall knowingly make any false report to his or her employer or client for whom information is being obtained. A violation of this section may result in a fine of one hundred dollars (\$100) for the first violation, and five hundred dollars (\$500) for each subsequent violation.

(b) This section shall become operative on January 1, 2016.

SEC. 30. Section 7599.61 of the Business and Professions Code is amended to read:

7599.61. (a) The director may suspend or revoke an alarm company operator license, a qualified manager certificate, an alarm agent registration, or a firearms permit, issued under this chapter, if the director determines that the licensee or his or her manager, if an individual, or if the licensee is a person other than an individual, or his or her employees, that any of its officers, partners, managing members, employees, or its manager, has:

(1) Made any false statement or given any false information in connection with an application for a license or a renewal or reinstatement of a license.

(2) Violated any provisions or committed any prohibited acts of this chapter.

(3) Been convicted of any felony or misdemeanor including illegally using, carrying, or possessing a dangerous weapon.

(4) Committed or permitted any employee to commit any act, while the license was expired, which would be cause for the suspension or revocation of a license, or grounds for the denial of an application for a license.

(5) Committed assault, battery, or kidnapping, or used force or violence on any person, without proper justification.

(6) Violated, or advised, encouraged, or assisted the violation of any court order or injunction in the course of business as a licensee.

(7) Been convicted of a violation of Section 148 of the Penal Code.

(8) Committed any act which is a ground for denial of an application for license under this chapter.

(9) Committed any act prohibited by Chapter 1.5 (commencing with Section 630) of Title 15 of Part 1 of the Penal Code.

(10) Committed any act in the course of the licensee's business constituting dishonesty or fraud.

(b) This section shall remain in effect only until January 1, 2016, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2016, deletes or extends that date.

SEC. 31. Section 7599.61 is added to the Business and Professions Code, to read:

7599.61. (a) The director may suspend or revoke an alarm company operator license, a qualified manager certificate, an alarm agent registration, or a firearms permit, issued under this chapter, if the director determines that the licensee or his or her manager, if an individual, or if the licensee is a person other than an individual, or his or her employees, that any of its officers, partners, employees, or its manager, has:

(1) Made any false statement or given any false information in connection with an application for a license or a renewal or reinstatement of a license.

(2) Violated any provisions or committed any prohibited acts of this chapter.

(3) Been convicted of any felony or misdemeanor including illegally using, carrying, or possessing a dangerous weapon.

(4) Committed or permitted any employee to commit any act, while the license was expired, which would be cause for the suspension or revocation of a license, or grounds for the denial of an application for a license.

(5) Committed assault, battery, or kidnapping, or used force or violence on any person, without proper justification.

(6) Violated, or advised, encouraged, or assisted the violation of any court order or injunction in the course of business as a licensee.

(7) Been convicted of a violation of Section 148 of the Penal Code.

(8) Committed any act which is a ground for denial of an application for license under this chapter.

(9) Committed any act prohibited by Chapter 1.5 (commencing with Section 630) of Title 15 of Part 1 of the Penal Code.

(10) Committed any act in the course of the licensee's business constituting dishonesty or fraud.

(b) This section shall become operative on January 1, 2016.

SEC. 32. Section 7599.70 of the Business and Professions Code is amended to read:

7599.70. Effective July 1, 1998, the bureau shall establish and assess fees and penalties for licensure and registration as follows:

(a) A company license application fee may not exceed thirty-five dollars (\$35).

(b) An original license fee for an alarm company operator license may not exceed two hundred eighty dollars (\$280). A renewal fee for an alarm company operator license may not exceed three hundred thirty-five dollars (\$335).

(c) A qualified manager application and examination fee may not exceed one hundred five dollars (\$105).

(d) A renewal fee for a qualified manager may not exceed one hundred twenty dollars (\$120).

(e) An original license fee and renewal fee for a branch office certificate may not exceed thirty-five dollars (\$35).

(f) Notwithstanding Section 163.5, the reinstatement fee as required by Sections 7593.12 and 7598.17 is the amount equal to the renewal fee plus a penalty of 50 percent thereof.

(g) A fee for reexamination of an applicant for a qualified manager may not exceed two hundred forty dollars (\$240).

(h) An initial registration fee for an alarm agent may not exceed seventeen dollars (\$17).

(i) A registration renewal fee for an alarm agent may not exceed seven dollars (\$7).

(j) A firearms qualification fee may not exceed eighty dollars (\$80) and a firearms requalification fee may not exceed sixty dollars (\$60).

(k) The fingerprint processing fee is that amount charged the bureau by the Department of Justice.

(l) The processing fee required pursuant to Sections 7593.7 and 7598.14 is the amount equal to the expenses incurred to provide a photo identification card.

(m) The fee for a “Certificate of Licensure” may not exceed fifty dollars (\$50).

(n) The delinquency fee is 50 percent of the renewal fee in effect on the date of expiration, but not less than twenty-five dollars (\$25).

(o) The processing fee for the assignment of an alarm company operator license pursuant to Section 7593.15 may not exceed one hundred twenty-five dollars (\$125).

SEC. 33. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.