

## Senate Bill No. 1382

### CHAPTER 707

An act to amend Section 1569.185 of the Health and Safety Code, relating to care facilities.

[Approved by Governor September 28, 2014. Filed with Secretary of State September 28, 2014.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1382, Block. Residential care facilities for the elderly.

Existing law provides for the licensure and regulation of residential care facilities for the elderly by the State Department of Social Services. A violation of these provisions is a misdemeanor. Existing law sets forth the annual licensure fees to operate a residential care facility for the elderly and various other fees charged by the department. Existing law requires the department to deposit the fees collected into the Technical Assistance Fund to be used by the department, upon appropriation by the Legislature, to ensure the health and safety of individuals provided care and supervision by licensees and to support activities of the licensing program.

This bill would increase the annual licensure fees and would make related findings and declarations.

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

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

(a) The quality of services provided to residents of a residential care facility for the elderly is dependent on the State Department of Social Services' ability to continue and enhance its licensing, regulatory, and disciplinary functions.

(b) After years of budgetary cutbacks, it is now imperative that the department be revitalized and given adequate resources to support its mandate to provide consumer protection.

(c) Failure to increase the fee amount will result in continued lack of supervision and regulatory discipline, which will undermine the care and services for residents.

SEC. 2. Section 1569.185 of the Health and Safety Code is amended to read:

1569.185. (a) (1) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. After initial licensure, a fee shall be charged by the department annually on each anniversary of the effective date of the license.

The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows, subject to paragraph (2):

Capacity	Fee Schedule	
	Initial Application	Annual
1–3	\$495.60	\$495.60
4–6	\$990.00	\$495.60
7–15	\$1,486.80	\$742.80
16–30	\$1,980.00	\$990.00
31–49	\$2,476.80	\$1,238.40
50–74	\$2,972.40	\$1,448.00
75–100	\$3,469.20	\$1,734.00
101–150	\$3,964.80	\$1,982.40
151–200	\$4,622.40	\$2,311.20
201–250	\$5,280.00	\$2,640.00
251–300	\$5,940.00	\$2,970.00
301–350	\$6,600.00	\$3,300.00
351–400	\$7,260.00	\$3,630.00
401–500	\$8,580.00	\$4,290.00
501–600	\$9,900.00	\$4,950.00
601–700	\$11,220.00	\$5,610.00
701+	\$13,200.00	\$6,600.00

(2) (A) The Legislature finds that all revenues generated by fees for licenses computed under this section and used for the purposes for which they were imposed are not subject to Article XIII B of the California Constitution.

(B) The department, at least every five years, shall analyze initial application fees and annual fees issued by it to ensure the appropriate fee amounts are charged. The department shall recommend to the Legislature

that fees established by the Legislature be adjusted as necessary to ensure that the amounts are appropriate.

(b) (1) In addition to fees set forth in subdivision (a), the department shall charge all of the following fees:

(A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.

(B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.

(C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.

(D) An orientation fee of fifty dollars (\$50) for attendance by an individual at a department-sponsored orientation session.

(E) A probation monitoring fee equal to the current annual fee, in addition to the current annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(F) A late fee that represents an additional 50 percent of the established current annual fee when a licensee fails to pay the current annual licensing fee on or before the due date as indicated by postmark on the payment.

(G) A fee to cover any costs incurred by the department for processing payments including, but not limited to, bounced check charges, charges for credit and debit transactions, and postage due charges.

(H) A plan of correction fee of two hundred dollars (\$200) when a licensee does not implement a plan of correction on or prior to the date specified in the plan.

(2) A local jurisdiction shall not impose a business license, fee, or tax for the privilege of operating a facility licensed under this chapter that serves six or fewer persons.

(c) (1) The revenues collected from licensing fees pursuant to this section shall be utilized by the department for the purpose of ensuring the health and safety of all individuals provided care or supervision by licensees and to support the activities of the licensing programs, including, but not limited to, monitoring facilities for compliance with licensing laws and regulations pursuant to this chapter, and other administrative activities in support of the licensing program, when appropriated for these purposes. The revenues collected shall be used in addition to any other funds appropriated in the annual Budget Act in support of the licensing program. The department shall adjust the fees collected pursuant to this section to ensure that they do not exceed the costs described in this paragraph.

(2) The department shall not utilize any portion of these revenues sooner than 30 days after notification in writing of the purpose and use, as approved by the Department of Finance, to the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the committee in each house

that considers appropriations for each fiscal year. The department shall submit a budget change proposal to justify any positions or any other related support costs on an ongoing basis.

(d) A residential care facility for the elderly may use a bona fide business check to pay the license fee required under this section.

(e) The failure of an applicant for licensure or a licensee to pay all applicable and accrued fees and civil penalties shall constitute grounds for denial or forfeiture of a license.