AMENDED IN SENATE SEPTEMBER 4, 2015

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN ASSEMBLY MAY 18, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

No. 1042

## **Introduced by Assembly Member Cooper**

February 26, 2015

An act to amend Section 7574.11 of, and to amend, repeal, and add Sections 7574.01 and 7574.14 of, the Business and Professions Code, and to amend Section 201.3 of the Labor Code, relating to professions and vocations.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1042, as amended, Cooper. Proprietary security services.

The Proprietary Security Services Act generally regulates the proprietary private security vocation, and requires a proprietary private security officer to, among other things, register with the Department of Consumer Affairs and complete specified training. The act defines a proprietary private security officer as an unarmed individual who, among other qualifications, meets 2 specific criteria of being required to wear a distinctive uniform clearly identifying him or her as a security officer and of being likely to interact with the public while performing his or her duties. The act exempts specified persons from its requirements.

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This bill, on and after January 1, 2017, would expand the definition of a proprietary private security officer by instead requiring one of the 2 specific criteria to be met. The bill would revise one of the criteria, on and after January 1, 2017, to require the likelihood of interacting with the public while providing security services, as defined to include, among other things, acting to prevent or deter unapproved or unlawful entry.

The bill would also exempt, on and after January 1, 2017, from the act an unarmed, plain clothed person employed by a retail store to exclusively report or prevent theft from the retail store. unarmed person who is employed by a retailer of merchandise at a retail merchandise store to report or prevent theft from the store and who wears plain clothes or clothes with only the logo or business name of the retailer of merchandise. The bill would also exempt, on and after that date, an employee at an entertainment or sports venue, as specified, whose primary duties consist of screening guests and their personal items before venue entry, checking admission tickets, or directing guests, and seeking assistance from law enforcement or security personnel when that would be the ordinary and customary response of an employee under specified circumstances.

The Private Security Services Act provides for the licensure and regulation of private patrol operators by the Bureau of Security and Investigative Services in the Department of Consumer Affairs. Existing law defines a private patrol operator as a person who, for consideration, agrees to furnish, or furnishes, a watchman, guard patrolperson, or other person to protect persons or property or to prevent the theft, unlawful taking, loss, embezzlement, misappropriation, or concealment of any property; or performs the service of a watchman, guard, patrolperson, or other person, for any of these purposes. Existing law defines a security guard as an employee of a private patrol operator who performs those above-referenced functions on or about the premises owned or controlled by the customer of the private patrol operator or by the guard's employer or in the company of persons being protected.

Existing law generally requires that an employee of a temporary services employer, as defined, be paid weekly. Existing law provides that a violation of these provisions is punishable as a misdemeanor.

This bill would provide for that weekly pay requirement to apply to a security officer employed by a private patrol operator who is a temporary services employer, as provided. -3- AB 1042

By expanding the scope of crime, the bill would impose a state-mandated local program.

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

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- SECTION 1. Section 7574.01 of the Business and Professions Code is amended to read:
- 7574.01. (a) For the purposes of this chapter, the following terms shall have the following meanings:

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- (1) "Bureau" means the Bureau of Security and Investigative Services.
- (2) "Chief" means the Chief of the Bureau of Security and Investigative Services.
- (3) "Director" means the Director of Consumer Affairs, unless the context indicates otherwise.
- (4) "Person" includes any individual, firm, company, association, organization, partnership, and corporation.
- (5) "Proprietary private security employer" means a person who has one or more employees who provide security services for the employer and only for the employer. A person who employs proprietary private security officers pursuant to this chapter at more than one location shall be considered a single employer.
- (6) "Proprietary private security officer" means an unarmed individual who is employed exclusively by any one employer whose primary duty is to provide security services for his or her employer, whose services are not contracted to any other entity or person, and who is not exempt pursuant to Section 7582.2, and who meets both of the following criteria:
- (A) Is required to wear a distinctive uniform clearly identifying the individual as a security officer.
- 26 (B) Is likely to interact with the public while performing his or 27 her duties.

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1 (7) "Registrant" means an individual registered with the bureau under this chapter.

- (b) This section shall remain in effect only until January 1, 2017, and as of that date is repealed.
- SEC. 2. Section 7574.01 is added to the Business and Professions Code, to read:
- 7574.01. (a) For the purposes of this chapter, the following terms shall have the following meanings:
- 9 (1) "Bureau" means the Bureau of Security and Investigative 10 Services.
  - (2) "Chief" means the Chief of the Bureau of Security and Investigative Services.
  - (3) "Director" means the Director of Consumer Affairs, unless the context indicates otherwise.
  - (4) "Person" includes any individual, firm, company, association, organization, partnership, and corporation.
  - (5) "Proprietary private security employer" means a person who has one or more employees who provide security services for the employer and only for the employer. A person who employs proprietary private security officers pursuant to this chapter at more than one location shall be considered a single employer.
  - (6) "Proprietary private security officer" means an unarmed individual who is employed exclusively by any one employer whose primary duty is to provide security services for his or her employer, whose services are not contracted to any other entity or person, and who meets either of the following criteria:
  - (A) Is required to wear a distinctive uniform or marked shirt or jacket clearly identifying the individual as a security officer.
  - (B) Is likely to interact with the public while providing security services.
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- (7) "Registrant" means an individual registered with the bureau under this chapter.
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- 35 (8) "Security services" are activities by a proprietary private 36 security officer for the protection of persons or property and 37 include, but are not limited to:
- 38 (A) Acting to prevent or deter unapproved or unlawful entry.
- 39 (B) Acting to prevent or deter criminal acts or disturbances.

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(C) Acting to prevent or deter unlawful or inappropriate taking of property.

- (D) Reporting incidents of fire, medical emergency, and hazardous materials, in accordance with the established procedures of the employer and to public safety officials, as appropriate.
- (E) Reporting incidents of activity that may cause harm to a person or property in accordance with the employer's established procedures and to public safety authorities, as appropriate.
  - (b) This section shall become operative on January 1, 2017.
- SEC. 3. Section 7574.11 of the Business and Professions Code is amended to read:
- 7574.11. (a) An applicant seeking registration as a proprietary private security officer shall apply to the department on forms provided by the department.
- (b) An application for registration as a proprietary private security officer shall include, but not be limited to, the following:
- (1) Submission of fingerprints for submission to the Department of Justice.
- (A) The department shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice for all proprietary private security officer registration applicants, as defined by Section 7574.01, for the purposes of obtaining information as to the existence and content of a record of state or federal convictions and state or federal arrests and also information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance pending trial or appeal.
- (B) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the department.
- (C) The Department of Justice shall provide a state and federal level response to the department pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.
- (D) The department shall request from the Department of Justice subsequent arrest notification service, as provided pursuant to

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1 Section 11105.2 of the Penal Code, for persons described in 2 subdivision (a).

- (E) The Department of Justice shall charge a fee sufficient to cover the cost of processing the request described in this section.
  - (2) A fee of fifty dollars (\$50).
- (c) Upon approval of an application for registration as a proprietary private security officer by the director, the chief shall cause to be issued to the applicant a registration card in a form approved by the director. A registration card shall be valid for two years from the date of issue.
- (d) A person may work as a proprietary private security officer pending receipt of the registration card if he or she has been approved by the director and carries on his or her person a hard copy printout of the bureau's approval from the bureau's Internet Web site and either a valid driver's license issued pursuant to Section 12811 of the Vehicle Code or a valid identification card issued pursuant to Section 13000 of the Vehicle Code.
- (e) In the event of the loss or destruction of a registration card, the registrant may apply to the bureau on a form provided by the bureau for a certified replacement of the card, stating the circumstances surrounding the loss, and pay a replacement fee of ten dollars (\$10), whereupon the bureau shall issue a replacement of the card.
- (f) A registered proprietary private security officer shall apply for renewal biennially with the department on forms provided by the department. The department shall charge a renewal fee of thirty-five dollars (\$35).
- SEC. 4. Section 7574.14 of the Business and Professions Code is amended to read:
  - 7574.14. (a) This chapter shall not apply to the following:
- (1) An officer or employee of the United States of America, or of this state or a political subdivision thereof, while the officer or employee is engaged in the performance of his or her official duties, including uniformed peace officers employed part time by a public agency pursuant to a written agreement between a chief of police or sheriff and the public agency, provided the part-time employment does not exceed 50 hours in a calendar month.
- (2) A person engaged exclusively in the business of obtaining and furnishing information as to the financial rating of persons.

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(3) A charitable philanthropic society or association incorporated under the laws of this state that is organized and duly maintained for the public good and not for private profit.

- (4) Patrol special police officers appointed by the police commission of a city, county, or city and county under the express terms of its charter who also under the express terms of the charter (1) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (2) must be not less than 18 years of age nor more than 40 years of age, (3) must possess physical qualifications prescribed by the commission, and (4) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.
- (5) An attorney at law in performing his or her duties as an attorney at law.
- (6) A collection agency or an employee thereof while acting within the scope of his or her employment, while making an investigation incidental to the business of the agency, including an investigation of the location of a debtor or his or her property where the contract with an assignor creditor is for the collection of claims owed or due or asserted to be owed or due or the equivalent thereof.
- (7) Admitted insurers and agents and insurance brokers licensed by the state, performing duties in connection with insurance transacted by them.
- (8) A bank subject to the jurisdiction of the Commissioner of Financial Institutions of the State of California under Division 1 (commencing with Section 99) of the Financial Code or the Comptroller of Currency of the United States.
- (9) A person engaged solely in the business of securing information about persons or property from public records.
- (10) A peace officer of this state or a political subdivision thereof while the peace officer is employed by a private employer to engage in off-duty employment in accordance with Section 1126 of the Government Code. However, nothing herein shall exempt such a peace officer who either contracts for his or her services or the services of others as a private patrol operator or contracts for his or her services as or is employed as an armed private security officer. For purposes of this subdivision, "armed security officer"

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means an individual who carries or uses a firearm in the course and scope of that contract or employment.

- 3 (11) A retired peace officer of the state or political subdivision 4 thereof when the retired peace officer is employed by a private 5 employer in employment approved by the chief law enforcement officer of the jurisdiction where the employment takes place, 6 7 provided that the retired officer is in a uniform of a public law 8 enforcement agency, has registered with the bureau on a form approved by the director, and has met any training requirements or their equivalent as established for security personnel under 10 Section 7583.5. This officer may not carry an unloaded and 11 12 exposed handgun unless he or she is exempted under the provisions 13 of Article 2 (commencing with Section 26361) of Chapter 6 of 14 Division 5 of Title 4 of Part 6 of the Penal Code, may not carry 15 an unloaded firearm that is not a handgun unless he or she is exempted under the provisions of Article 2 (commencing with 16 17 Section 26405) of Chapter 7 of Division 5 of Title 4 of Part 6 of the Penal Code, and may not carry a loaded or concealed firearm 18 19 unless he or she is exempted under the provisions of Sections 20 25450 to 25475, inclusive, of the Penal Code or Sections 25900 21 to 25910, inclusive, of the Penal Code or has met the requirements 22 set forth in subdivision (d) of Section 26030 of the Penal Code. 23 However, nothing herein shall exempt the retired peace officer 24 who contracts for his or her services or the services of others as a 25 private patrol operator. 26
  - (12) A licensed insurance adjuster in performing his or her duties within the scope of his or her license as an insurance adjuster.
  - (13) A savings association subject to the jurisdiction of the Commissioner of Financial Institutions or the Office of Thrift Supervision.
  - (14) A secured creditor engaged in the repossession of the creditor's collateral and a lessor engaged in the repossession of leased property in which it claims an interest.
  - (15) A peace officer in his or her official police uniform acting in accordance with subdivisions (c) and (d) of Section 70 of the Penal Code.
  - (16) An unarmed, uniformed security person employed exclusively and regularly by a motion picture studio facility employer who does not provide contract security services for other entities or persons in connection with the affairs of that employer

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only and where there exists an employer-employee relationship if that person at no time carries or uses a deadly weapon, as defined in subdivision (a) of Section 7582.2, in the performance of his or her duties, which may include, but are not limited to, the following business purposes:

- (A) The screening and monitoring access of employees of the same employer.
- (B) The screening and monitoring access of prearranged and preauthorized invited guests.
  - (C) The screening and monitoring of vendors and suppliers.
- (D) Patrolling the private property facilities for the safety and welfare of all who have been legitimately authorized to have access to the facility.
- (17) An armored contract carrier operating armored vehicles pursuant to the authority of the Department of the California Highway Patrol or the Public Utilities Commission, or an armored vehicle guard employed by an armored contract carrier.
- (b) This section shall remain in effect only until January 1, 2017, and as of that date is repealed.
- SEC. 5. Section 7574.14 is added to the Business and Professions Code, to read:
  - 7574.14. (a) This chapter shall not apply to the following:
- (1) An officer or employee of the United States of America, or of this state or a political subdivision thereof, while the officer or employee is engaged in the performance of his or her official duties, including uniformed peace officers employed part time by a public agency pursuant to a written agreement between a chief of police or sheriff and the public agency, provided the part-time employment does not exceed 50 hours in a calendar month.
- (2) A person engaged exclusively in the business of obtaining and furnishing information as to the financial rating of persons.
- (3) A charitable philanthropic society or association incorporated under the laws of this state that is organized and duly maintained for the public good and not for private profit.
- (4) Patrol special police officers appointed by the police commission of a city, county, or city and county under the express terms of its charter who also under the express terms of the charter (A) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (B) must be not less than 18 years of age nor more than 40 years of

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age, (C) must possess physical qualifications prescribed by the commission, and (D) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

- (5) An attorney at law in performing his or her duties as an attorney at law.
- (6) A collection agency or an employee thereof while acting within the scope of his or her employment, while making an investigation incidental to the business of the agency, including an investigation of the location of a debtor or his or her property where the contract with an assignor creditor is for the collection of claims owed or due or asserted to be owed or due or the equivalent thereof.
- (7) Admitted insurers and agents and insurance brokers licensed by the state, performing duties in connection with insurance transacted by them.
- (8) A bank subject to the jurisdiction of the Commissioner of Financial Institutions of the State of California under Division 1 (commencing with Section 99) of the Financial Code or the Comptroller of Currency of the United States.
- (9) A person engaged solely in the business of securing information about persons or property from public records.
- (10) A peace officer of this state or a political subdivision thereof while the peace officer is employed by a private employer to engage in off-duty employment in accordance with Section 1126 of the Government Code. However, nothing herein shall exempt such a peace officer who either contracts for his or her services or the services of others as a private patrol operator or contracts for his or her services as or is employed as an armed private security officer. For purposes of this subdivision, "armed security officer" means an individual who carries or uses a firearm in the course and scope of that contract or employment.
- (11) A retired peace officer of the state or political subdivision thereof when the retired peace officer is employed by a private employer in employment approved by the chief law enforcement officer of the jurisdiction where the employment takes place, provided that the retired officer is in a uniform of a public law enforcement agency, has registered with the bureau on a form approved by the director, and has met any training requirements or their equivalent as established for security personnel under

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Section 7583.5. This officer may not carry an unloaded and exposed handgun unless he or she is exempted under the provisions of Article 2 (commencing with Section 26361) of Chapter 6 of Division 5 of Title 4 of Part 6 of the Penal Code, may not carry an unloaded firearm that is not a handgun unless he or she is exempted under the provisions of Article 2 (commencing with Section 26405) of Chapter 7 of Division 5 of Title 4 of Part 6 of the Penal Code, and may not carry a loaded or concealed firearm unless he or she is exempted under the provisions of Sections 25450 to 25475, inclusive, of the Penal Code or Sections 25900 to 25910, inclusive, of the Penal Code or has met the requirements set forth in subdivision (d) of Section 26030 of the Penal Code. However, nothing herein shall exempt the retired peace officer who contracts for his or her services or the services of others as a private patrol operator.

(12) A licensed insurance adjuster in performing his or her duties within the scope of his or her license as an insurance adjuster.

- (13) A savings association subject to the jurisdiction of the Commissioner of Financial Institutions or the Office of Thrift Supervision.
- (14) A secured creditor engaged in the repossession of the creditor's collateral and a lessor engaged in the repossession of leased property in which it claims an interest.
- (15) A peace officer in his or her official police uniform acting in accordance with subdivisions (c) and (d) of Section 70 of the Penal Code.
- (16) An unarmed, uniformed security person employed exclusively and regularly by a motion picture studio facility employer who does not provide contract security services for other entities or persons in connection with the affairs of that employer only and where there exists an employer-employee relationship if that person at no time carries or uses a deadly weapon, as defined in subdivision (a) of Section 7582.2, in the performance of his or her duties, which may include, but are not limited to, the following business purposes:
- 36 (A) The screening and monitoring access of employees of the same employer.
  - (B) The screening and monitoring access of prearranged and preauthorized invited guests.
    - (C) The screening and monitoring of vendors and suppliers.

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(D) Patrolling the private property facilities for the safety and welfare of all who have been legitimately authorized to have access to the facility.

- (17) An armored contract carrier operating armored vehicles pursuant to the authority of the Department of the California Highway Patrol or the Public Utilities Commission, or an armored vehicle guard employed by an armored contract carrier.
- (18) An unarmed, plain clothed unarmed person who is employed by a retail retailer of merchandise at a retail merchandise store to exclusively report or prevent theft from the retail store. store and who wears plain clothes or clothes with only the logo or business name of the retailer of merchandise.
- (19) An employee at an entertainment or sports venue, including, but not limited to, a theme or amusement park, and a theatrical screening, whose primary duties consist of screening guests and their personal items before venue entry, checking admission tickets, directing guests, or any combination of these duties, and seeking assistance from law enforcement or security personnel when that would be the ordinary and customary response of an employee in the event of an unapproved or unlawful entry or criminal act or disturbance.
  - (b) This section shall become operative on January 1, 2017.
  - SEC. 6. Section 201.3 of the Labor Code is amended to read:
- 201.3. (a) For purposes of this section, the following definitions apply:
- (1) "Temporary services employer" means an employing unit that contracts with clients or customers to supply workers to perform services for the clients or customers and that performs all of the following functions:
- (A) Negotiates with clients and customers for matters such as the time and place where the services are to be provided, the type of work, the working conditions, and the quality and price of the services.
- (B) Determines assignments or reassignments of workers, even if workers retain the right to refuse specific assignments.
- (C) Retains the authority to assign or reassign a worker to another client or customer when the worker is determined unacceptable by a specific client or customer.
- 39 (D) Assigns or reassigns workers to perform services for clients 40 or customers.

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1 (E) Sets the rate of pay of workers, whether or not through 2 negotiation.

(F) Pays workers from its own account or accounts.

- (G) Retains the right to hire and terminate workers.
- (2) "Temporary services employer" does not include any of the following:
- (A) A bona fide nonprofit organization that provides temporary service employees to clients.
- (B) A farm labor contractor, as defined in subdivision (b) of Section 1682.
- (C) A garment manufacturing employer, which, for purposes of this section, has the same meaning as "contractor," as defined in subdivision (d) of Section 2671.
- (3) "Employing unit" has the same meaning as defined in Section 135 of the Unemployment Insurance Code.
- (4) "Client" and "customer" means the person with whom a temporary services employer has a contractual relationship to provide the services of one or more individuals employed by the temporary services employer.
- (b) (1) (A) Except as provided in paragraphs (2) to (5), inclusive, if an employee of a temporary services employer is assigned to work for a client, that employee's wages are due and payable no less frequently than weekly, regardless of when the assignment ends, and wages for work performed during any calendar week shall be due and payable not later than the regular payday of the following calendar week. A temporary services employer shall be deemed to have timely paid wages upon completion of an assignment if wages are paid in compliance with this subdivision.
- (B) Except as provided in paragraphs (2) to (5), inclusive, if an employee of a temporary services employer in the security services industry is a security officer who is—licensed registered pursuant to Chapter 11.5 (commencing with Section 7580) of Division 3 of the Business and Professions Code, is employed by a private patrol operator licensed pursuant to that chapter, and is assigned to work for a client, that employee's wages are due and payable no less frequently than weekly, regardless of when the assignment ends, and wages for work performed during any workweek, as defined under Section 500, shall be due and payable not later than the regular payday of the following workweek.

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(2) If an employee of a temporary services employer is assigned to work for a client on a day-to-day basis, that employee's wages are due and payable at the end of each day, regardless of when the assignment ends, if each of the following occurs:

- (A) The employee reports to or assembles at the office of the temporary services employer or other location.
- (B) The employee is dispatched to a client's worksite each day and returns to or reports to the office of the temporary services employer or other location upon completion of the assignment.
- (C) The employee's work is not executive, administrative, or professional, as defined in the wage orders of the Industrial Welfare Commission, and is not clerical.
- (3) If an employee of a temporary services employer is assigned to work for a client engaged in a trade dispute, that employee's wages are due and payable at the end of each day, regardless of when the assignment ends.
- (4) If an employee of a temporary services employer is assigned to work for a client and is discharged by the temporary services employer or leasing employer, wages are due and payable as provided in Section 201.
- (5) If an employee of a temporary services employer is assigned to work for a client and quits his or her employment with the temporary services employer, wages are due and payable as provided in Section 202.
- (6) If an employee of a temporary services employer is assigned to work for a client for over 90 consecutive calendar days, this section shall not apply unless the temporary services employer pays the employee weekly in compliance with paragraph (1) of subdivision (b).
- (c) A temporary services employer who violates this section shall be subject to the civil penalties provided for in Section 203, and to any other penalties available at law.
- (d) Nothing in this section shall be interpreted to limit any rights or remedies otherwise available under state or federal law.
- SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB 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

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- the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution. 2 3