

AMENDED IN ASSEMBLY JUNE 30, 2016  
AMENDED IN ASSEMBLY JUNE 22, 2016  
AMENDED IN ASSEMBLY JUNE 14, 2016  
AMENDED IN ASSEMBLY JUNE 23, 2015  
AMENDED IN SENATE MAY 5, 2015  
AMENDED IN SENATE APRIL 14, 2015  
AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 270**

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**Introduced by Senator Mendoza**

February 19, 2015

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An act to add Section 8041 to the Business and Professions Code, relating to court reporters.

LEGISLATIVE COUNSEL'S DIGEST

SB 270, as amended, Mendoza. ~~Court Reporters Board of California: corporations: arrangement of shorthand~~ *Shorthand* reporting services.

Existing law provides for the certification and regulation of shorthand reporters and for the regulation of shorthand reporting corporations by the Court Reporters Board of California within the Department of Consumer Affairs. The department is under the control of the Director of Consumer Affairs.

Under existing law, a shorthand reporting corporation is a corporation authorized to render professional services, as defined, as long as that corporation and all of its shareholders, officers, directors, and employees rendering professional services who are certified shorthand reporters are in compliance with specified provisions of law. ~~Existing law defines~~

~~a foreign professional corporation as a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is specified authorization for the performance of professional services by a foreign professional corporation. Under existing law, it constitutes unprofessional conduct and a violation of these provisions for any licensed person to violate, attempt to violate, assist in or abet the violation of, or conspire to violate any specified provisions of law, including regulations adopted thereunder. Existing law prohibits a shorthand reporting corporation from not doing or failing to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute, rule, or regulation pertaining to shorthand reporters or shorthand reporting. Existing law makes it a crime to violate any of the laws that apply to shorthand reporters. Existing law also provides for the formation or registration of various legal entities transacting business in this state.~~

~~This bill would require any domestic or foreign corporation offering to arrange for or arranging for the services of shorthand reporting to comply with specified requirements, including, but not limited to, acting without bias toward or prejudice against any parties and their attorneys and not entering into, arranging, or participating in a relationship that compromises the impartiality of the certified shorthand reporter, as provided. The bill would also authorize such a corporation to, among other things, receive compensation for the arrangement of shorthand reporting services and provide services without charge or compensation under specified circumstances. The bill would provide the Attorney General, the Director, and the board with jurisdiction to enforce these provisions.~~

~~Because a violation of these requirements would be a 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.~~

~~*This bill would authorize the Attorney General, the Director of Consumer Affairs, and the Court Reporters Board of California to seek injunctive relief or issue citations, fines, and other penalties against corporations, persons, or entities, whether foreign or domestic, that for a fee or other financial consideration, offer, offer to arrange for,*~~

render, or provide the services of a certified shorthand reporter, for violations of provisions governing oral depositions inside this state imposed by the Civil Discovery Act, Moscone-Knox Professional Corporation Act, and laws governing the practice of shorthand reporting.

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

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

1 SECTION 1. Section 8041 is added to the Business and  
2 Professions Code, to read:

3 8041. (a) The Attorney General, the Director of Consumer  
4 Affairs, and the board may seek injunctive relief or issue citations,  
5 fines, and other penalties against corporations, persons, or entities,  
6 whether foreign or domestic, that for a fee or other financial  
7 consideration, offer, offer to arrange for, render, or provide the  
8 services of a certified shorthand reporter, for violations of the  
9 following:

10 (1) Chapter 9 of Title 4 of Part 4 (commencing with Section  
11 2025.010) of the Code of Civil Procedure.

12 (2) Part 4 of Division 3 of Title 1 (commencing with Section  
13 13400) of the Corporations Code.

14 (3) This chapter (commencing with Section 8000).

15 (4) Section 2475 of Title 16 of the California Code of  
16 Regulations, as that section read on January 1, 2016.

17 (b) Nothing in this section shall be construed to authorize the  
18 provision of shorthand reporting services by a foreign corporation  
19 in violation of subdivision (c) of Section 13401 of the Corporations  
20 Code or to authorize violations of Section 8044.

21 ~~SECTION 1. Section 8041 is added to the Business and~~  
22 ~~Professions Code, to read:~~

23 ~~8041. (a) Any domestic or foreign corporation that offers to~~  
24 ~~arrange for or arranges for the services of shorthand reporting as~~  
25 ~~defined in Section 8017, whether through an employee or an~~  
26 ~~independent contractor, shall comply with all of the following:~~

27 ~~(1) Act without bias toward or prejudice against any parties and~~  
28 ~~their attorneys.~~

29 ~~(2) Not enter into, arrange, or participate in a relationship that~~  
30 ~~compromises the impartiality of the certified shorthand reporter,~~

1 including, but not limited to, a relationship in which compensation  
2 for reporting services is based upon the outcome of the proceeding.

3 ~~(3) (A) Except as specified in subparagraph (B), not directly  
4 or indirectly give or receive any gift, incentive, reward, or anything  
5 of value to or from any person or entity associated with a  
6 proceeding being reported, including, but not limited to, an attorney  
7 or an attorney’s family members, employees of an attorney or an  
8 employee’s family members, a law firm, clients, witnesses,  
9 insurers, underwriters, or any agents or representatives thereof.~~

10 ~~(B) A domestic or foreign corporation may:~~

11 ~~(i) Receive compensation for the arrangement of shorthand  
12 reporting services.~~

13 ~~(ii) Give or receive items that do not exceed \$100 in the  
14 aggregate for any combination of items given or received per  
15 calendar year to or from an attorney or an attorney’s family  
16 members, employees of an attorney or an employee’s family  
17 members, a law firm, clients, witnesses, insurers, underwriters, or  
18 any agents or representatives thereof.~~

19 ~~(iii) Provide services without charge or compensation for which  
20 the certified shorthand reporter reasonably expects to be reimbursed  
21 from the Transcript Reimbursement Fund, established in Section  
22 8030.2, or otherwise for an indigent person as defined in Section  
23 8030.4.~~

24 ~~(b) The Attorney General, the Director of Consumer Affairs,  
25 and the board have jurisdiction to enforce the provisions of this  
26 section.~~

27 ~~SEC. 2. No reimbursement is required by this act pursuant to  
28 Section 6 of Article XIII B of the California Constitution because  
29 the only costs that may be incurred by a local agency or school  
30 district will be incurred because this act creates a new crime or  
31 infraction, eliminates a crime or infraction, or changes the penalty  
32 for a crime or infraction, within the meaning of Section 17556 of  
33 the Government Code, or changes the definition of a crime within  
34 the meaning of Section 6 of Article XIII B of the California  
35 Constitution.~~