

AMENDED IN ASSEMBLY AUGUST 15, 2016

AMENDED IN ASSEMBLY JUNE 20, 2016

AMENDED IN SENATE APRIL 12, 2016

SENATE BILL

No. 1196

Introduced by Senator Hill

(Principal ~~coauthors: Assembly Members Brough and~~ *coauthor:*
Assembly Member Salas)

February 18, 2016

An act to amend Sections 205, 7507.6, 7508.1, 7508.2, 7508.3, 7508.4, 7508.6, 7520.3, 7525.1, 7542, 7563, 7566, 7570, 7574.21, 7583.3, 7583.4, 7583.6, 7583.9, 7583.12, 7583.22, 7583.23, 7583.24, 7583.25, 7583.27, 7583.29, 7583.32, 7583.33, 7583.37, 7583.39, 7587.8, 7587.9, 7587.10, 7587.12, 7587.14, 7587.15, 7588, 7591.11, 7596.3, 7596.4, 7596.8, 7596.83, 7597.1, 7597.2, 7597.3, 7597.5, 7597.6, 7598.51, 7598.53, 7599.32, 7599.33, 7599.34, 7599.36, 7599.37, 7599.38, 7599.40, 7599.41, 7599.42, 7599.44, 7599.45, 7599.54, 7599.59, 10050, 10177, 11301, 11320, 11328, and 11340 ~~of of, to amend, repeal, and add Section 7533.5 of, to add Sections 7583.47 and 7585.4.1 to, and to add Article 10 (commencing with Section 6981) to Chapter 8.5 of, to add Article 12 (commencing with Section 7511.5) to Chapter 11 of, to add Article 8 (commencing with Section 7573.5) to Chapter 11.3 of, to add Article 6 (commencing with Section 7576) to Chapter 11.4 of, to add Article 9 (commencing with Section 7588.8) to Chapter 11.5 of, and to add Article 15 (commencing with Section 7599.80) to Chapter 11.6 of, Division 3 of, the Business and Professions Code, relating to real estate.~~ *professions and vocations.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as amended, Hill. *Professions and vocations: Bureau of Real Estate: Estate, Bureau of Real Estate Appraisers, Appraisers, and Bureau of Security and Investigative Services.*

(1) *Existing law provides for the regulation, by the Bureau of Security and Investigative Services within the Department of Consumer Affairs, of locksmiths and the employees of locksmiths, reposseors, private investigators, private patrol operators, armored contract carriers, firearms and baton training facilities, and employees of those licensees, alarm company operators and alarm agents, and proprietary security services. Existing law prescribes various fees and fines in connection with the regulation of these professions and vocations and provides for the deposit of the majority of these fees and fines into the Private Security Services Fund. Existing law also establishes the Professions and Vocations Fund, which consists of certain funds. Existing law provides that fine, penalty, and cost recovery moneys in any fund within the Professions and Vocations Fund are available only upon appropriation by the Legislature.*

This bill would subject the bureau to review by the appropriate policy committees of the Legislature. The bill would also provide that the Private Security Services Fund is a fund in the Professions and Vocations Fund.

(2) *The Collateral Recovery Act provides for the licensure and regulation of repossession agencies by the Bureau of Security and Investigative Services and prohibits the use of an alias in connection with the official activities of a licensed repossession agency's business.*

This bill would instead prohibit the use of a business name other than the name of a licensed repossession agency in connection with the official activities of the licensee's business.

(3) *The Private Investigator Act provides for the licensure and regulation of private investigators by the Bureau of Security and Investigative Services. Until January 1, 2018, the act provides for the licensure of limited liability companies under the act and requires the application for licensure of a limited liability company to be subscribed, verified, and signed by a duly authorized member of the applicant under penalty of perjury. The act also requires a licensee to notify the Bureau of Security and Investigative Services within 30 days of any change in its corporate officers or any addition of a new partner.*

This bill would additionally require the application for licensure of a limited liability company to be subscribed, verified, and signed by a qualified manager of the applicant. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program. The bill, among other things, would also require a licensee to notify the bureau within 30 days of any change in members required to be named in a corporation's or limited liability corporation's application for licensure.

(4) The Private Investigator Act prohibits a licensed private investigator and qualified manager who, in the course of his or her employment or business, carries a deadly weapon to carry or use a firearm unless he or she has in his or her possession a valid firearms qualification card and requires the licensed private investigator and qualified manager to comply with, and be subject to, specified provisions.

This bill would authorize a licensed private investigator and qualified manager who possesses a valid firearms qualification card to also carry a concealed firearm if he or she satisfies specified conditions. The bill would also require, if a firearms qualification card is denied, the denial to be in writing, include the basis for the denial, and inform the applicant of his or her right to contest the denial.

(5) The Alarm Company Act requires that specified agreements entered into by an alarm company pertaining to alarm systems, including, among others, lease agreements, monitoring agreements, service agreements, and installation agreements, be in writing and include specified items.

This bill would additionally require initial agreements entered into on or after January 1, 2017, that contain an automatic renewal provision for a period of more than one month to disclose and describe the automatic renewal provision, as provided.

(6) The Private Security Services Act provides, among other matters, for the licensure and regulation of private patrol operators by the Bureau of Security and Investigative Services and makes a violation of its provisions a crime. Under existing law, a person required to be registered as a security guard must report to his or her employer, within 24 hours of the incident, the circumstances surrounding the discharge of any firearm in which he or she is involved while acting within the course and scope of his or her employment. Existing law also requires a person registered as a security or patrolperson to deliver to the Director of Consumer Affairs and to local law enforcement a written

report describing the circumstances surrounding the discharge of a firearm in which he or she was involved while acting within the course of his or her employment, within 7 days of the incident.

This bill would additionally impose the reporting duties upon the employer of the security guard or patrolperson.

(7) Existing law requires security guards, security patrolpersons, alarm company operators, and other specified persons to complete specified courses, acquire specified licenses, and be subject to specified provisions relating to their duties and relating to the carrying and use of a firearm or baton, as provided.

This bill would exempt from those provisions a federal qualified law enforcement officer, as defined.

(8) Existing law requires the Bureau of Security and Investigative Services to issue a firearms permit to a private patrol operator, alarm company operator, or other specified licensee when certain conditions are satisfied, including that the bureau has determined, after investigation, that the carrying and use of a firearm by the applicant, in the course of his or her duties, presents no apparent threat to the public safety.

This bill would provide for the association of a firearms permit with the license or registration of the applicant, as specified. The bill would require an applicant for a firearms permit who is a registered security guard to complete a specified assessment to determine whether or not the applicant, at the point in time of the assessment, is capable of exercising appropriate judgment, restraint, and self-control for the purposes of carrying and using a firearm during the course of his or her security guard duties, as provided. The bill would prohibit the bureau from issuing or renewing a firearm permit to an applicant who has been found incapable of exercising appropriate judgment, restraint, and self-control pursuant to the assessment in the past 12 months, as specified. The bill would authorize the appeal of the denial of a firearms permit or firearms qualification card on the basis of the results of the assessment. The bill would authorize the bureau to seek an emergency order against the holder of a firearms permit if, after investigation relating to specific events, the bureau determines that the holder of the permit presents an undue hazard to public safety. The bill would prohibit licensees or registrants with firearms permits from carrying or using a firearm while performing duties not related to the qualifying license or registration to which the bureau associated the licensee's or registrant's firearms permit.

(9) Existing law provides that any institution, firm, or individual wishing the approval of the Bureau of Security and Investigative Services to offer the firearms course must complete an application for certification as a firearms training facility, as specified.

This bill would require the bureau, within 120 days after issuance of a “Firearms Training Facility Certificate,” to inspect the facility for compliance with the specified requirements. The bill would authorize the bureau to inspect the facility prior to the issuance of a certificate. The bill would also require the bureau to maintain a program of random and targeted inspections of facilities to ensure compliance with applicable laws relating to the conduct and operation of facilities and to inform facilities when the bureau determines that the facility is not in compliance with the above-mentioned laws.

(10) The Collateral Recovery Act, the Private Investigator Act, the Private Security Services Act, and the Alarm Company Act impose, or authorize the imposition of, various fines and civil penalties, or suspend various licenses or permits issued pursuant to those acts, for violations of specified provisions of those acts.

This bill would revise specified fine amounts, civil penalty amounts, and suspensions for violations of specified provisions of the Collateral Recovery Act, the Private Investigator Act, the Private Security Services Act, and the Alarm Company Act.

(11) The Private Investigator Act, the Private Security Services Act, and the Alarm Company Act require specified licensees and applicants for licensure to, as a condition of the issuance, reinstatement, reactivation, or continued valid use of a license, maintain policies of insurance against liability for damages arising out of activities for which licensure is required pursuant to those acts, as specified.

This bill would require the insurer of those policies of insurance to list the Bureau of Security and Investigative Services as the certificate holder for the purposes of receiving notifications related to the policy’s status. The bill, until January 1, 2019, would provide for the automatic suspension, after 30-days’ written notice, of a licensee under the Alarm Company Act for failure to maintain sufficient insurance or failure to provide proof of required insurance upon request by the bureau, as specified.

Existing

(12) Existing law, the Real Estate Law, provides for the licensure and regulation of real estate brokers and real estate salespersons by the Real Estate Commissioner, the chief officer of the Bureau of Real Estate

within the Department of Consumer Affairs. That law authorizes the commissioner to suspend or revoke the license of a real estate licensee if the licensee has entered a plea of guilty or nolo contendere to, or been found guilty of, or been convicted of, a felony, or a crime substantially related to the qualifications, functions, or duties of a real estate licensee, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, or other conditions are met.

Existing law, the Real Estate Appraisers' Licensing and Certification Law, provides for the licensure, certification, and regulation of real estate appraisers and appraisal management companies by the Bureau of Real Estate Appraisers within the Department of Consumer Affairs, which is headed by the Chief of the Bureau of Real Estate Appraisers. That law requires the chief to adopt regulations governing the process and the procedure of applying for a real estate appraiser's license and requires these regulations to include, among others, necessary experience or education and the submittal of an applicant's social security number. To substantiate appraisal experience or to facilitate investigations, existing law requires ~~that~~ licensees, applicants, and persons acting in a capacity that requires a license to submit copies of appraisals or any other work product, as specified, and all supporting documentation.

A willful violation of these laws is a crime.

This bill would subject the Bureau of Real Estate and the Bureau of Real Estate Appraisers to review by the appropriate policy committees of the Legislature, as specified. The bill would ~~further~~ authorize the ~~Real Estate Commissioner~~ *Bureau of Real Estate, upon receipt of the certified copy of the plea and after a hearing*, to suspend the license of a real estate licensee ~~upon the entry of a guilty plea by the licensee to any of the crimes described above until the time for appeal has elapsed~~ and would require the commissioner to rescind the suspension if the plea is withdrawn. The bill would further require the Chief of the Bureau of Real Estate Appraisers to require, as part of the educational requirements for applicants for licensure, the completion of a course on state and federal laws regulating the appraisal profession, as specified, and would additionally authorize the submittal of an applicant's individual taxpayer identification number. The bill would additionally require those licensees, applicants, and persons acting in a capacity that requires a license to submit copies of engagement letters. Because the willful failure to submit those engagement letters would be a crime, the bill would impose a state-mandated local program.

~~The~~

(13) *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:

1 *SECTION 1. Section 205 of the Business and Professions Code,*
2 *as added by Chapter 510 of the Statutes of 2015, is amended to*
3 *read:*

4 205. (a) There is in the State Treasury the Professions and
5 Vocations Fund. The fund shall consist of the following special
6 funds:

- 7 (1) Accountancy Fund.
- 8 (2) California Architects Board Fund.
- 9 (3) Athletic Commission Fund.
- 10 (4) Barbering and Cosmetology Contingent Fund.
- 11 (5) Cemetery and Funeral Fund.
- 12 (6) Contractors' License Fund.
- 13 (7) State Dentistry Fund.
- 14 (8) Guide Dogs for the Blind Fund.
- 15 (9) Home Furnishings and Thermal Insulation Fund.
- 16 (10) California Architects Board-Landscape Architects Fund.
- 17 (11) Contingent Fund of the Medical Board of California.
- 18 (12) Optometry Fund.
- 19 (13) Pharmacy Board Contingent Fund.
- 20 (14) Physical Therapy Fund.
- 21 (15) Private Investigator Fund.
- 22 (16) *Private Security Services Fund.*
- 23 ~~(16)~~
- 24 (17) Professional Engineer's, Land Surveyor's, and Geologist's
25 Fund.
- 26 ~~(17)~~
- 27 (18) Consumer Affairs Fund.
- 28 ~~(18)~~
- 29 (19) Behavioral Sciences Fund.
- 30 ~~(19)~~

- 1 (20) Licensed Midwifery Fund.
- 2 ~~(20)~~
- 3 (21) Court Reporters' Fund.
- 4 ~~(21)~~
- 5 (22) Veterinary Medical Board Contingent Fund.
- 6 ~~(22)~~
- 7 (23) Vocational Nursing and Psychiatric Technicians Fund.
- 8 ~~(23)~~
- 9 (24) Electronic and Appliance Repair Fund.
- 10 ~~(24)~~
- 11 (25) Dispensing Opticians Fund.
- 12 ~~(25)~~
- 13 (26) Acupuncture Fund.
- 14 ~~(26)~~
- 15 (27) Physician Assistant Fund.
- 16 ~~(27)~~
- 17 (28) Board of Podiatric Medicine Fund.
- 18 ~~(28)~~
- 19 (29) Psychology Fund.
- 20 ~~(29)~~
- 21 (30) Respiratory Care Fund.
- 22 ~~(30)~~
- 23 (31) Speech-Language Pathology and Audiology and Hearing
- 24 Aid Dispensers Fund.
- 25 ~~(31)~~
- 26 (32) Board of Registered Nursing Fund.
- 27 ~~(32)~~
- 28 (33) Animal Health Technician Examining Committee Fund.
- 29 ~~(33)~~
- 30 (34) State Dental Hygiene Fund.
- 31 ~~(34)~~
- 32 (35) State Dental Assistant Fund.
- 33 ~~(35)~~
- 34 (36) Structural Pest Control Fund.
- 35 ~~(36)~~
- 36 (37) Structural Pest Control Eradication and Enforcement Fund.
- 37 ~~(37)~~
- 38 (38) Structural Pest Control Research Fund.
- 39 (b) For accounting and recordkeeping purposes, the Professions
- 40 and Vocations Fund shall be deemed to be a single special fund,

1 and each of the several special funds therein shall constitute and
2 be deemed to be a separate account in the Professions and
3 Vocations Fund. Each account or fund shall be available for
4 expenditure only for the purposes as are now or may hereafter be
5 provided by law.

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

7 *SEC. 2. Article 10 (commencing with Section 6981) is added*
8 *to Chapter 8.5 of Division 3 of the Business and Professions Code,*
9 *to read:*

10
11 *Article 10. Review*

12
13 *6981. Notwithstanding any other law, the powers and duties*
14 *of the bureau, as set forth in this chapter, shall be subject to review*
15 *by the appropriate policy committees of the Legislature. The review*
16 *shall be performed as if this chapter were scheduled to be repealed*
17 *as of January 1, 2020.*

18 *SEC. 3. Section 7507.6 of the Business and Professions Code*
19 *is amended to read:*

20 7507.6. (a) Within seven days after a violent act has occurred
21 involving a licensee, or any officer, partner, qualified certificate
22 holder, ~~registrant~~ *registrant*, or employee of a licensee, while acting
23 within the course and scope of his or her employment or contract,
24 that results in a police report or bodily harm or bodily injury, the
25 licensee or the licensee’s qualified certificate holder or registrant,
26 shall mail or deliver to the chief a notice concerning the incident
27 upon a form provided by the bureau.

28 (b) Within seven days after the occurrence of a violent act or a
29 threatened violent act involving a licensee, or any officer, partner,
30 qualified certificate holder, registrant, or employee of a ~~licensee~~
31 *licensee*, while acting within the course and scope of his or her
32 employment or contract, that results in a police report or bodily
33 harm or bodily injury, the licensee or the licensee’s qualified
34 certificate holder or registrant shall send by certified mail, return
35 receipt requested, a notice containing information about the
36 incident to the person or individual who made the assignment. If
37 the assignor is not the legal owner, the assignor shall notify the
38 legal owner of the contents of the notice.

39 (c) A licensee, qualified certificate holder, or registrant may
40 send the notice set forth in subdivision (b) for a violent act or

1 threatened violent act even if a police report is not made or no
2 bodily harm or bodily injury occurs. Any notice of a threatened
3 violent act provided pursuant to subdivision (b) may only be used
4 to notify a subsequent assignee and not for any collateral purpose.
5 Nothing in this subdivision or subdivision (b) shall be construed
6 to provide immunity against any claim for defamation.

7 *SEC. 4. Section 7508.1 of the Business and Professions Code*
8 *is amended to read:*

9 7508.1. The director may assess administrative fines for the
10 following prohibited acts:

11 (a) Knowingly making any false report to his or her employer
12 or client for whom information was being obtained. The fine shall
13 be one hundred dollars (\$100) for the first ~~violation~~, *violation* and
14 five hundred dollars (\$500) for each violation thereafter.

15 (b) Using any identification to indicate registration as a
16 reposessor, other than the bureau-issued registration card, except
17 an employer identification card issued by the repossession agency
18 which has met bureau approval, or a badge, cap insignia, or jacket
19 patch as provided in Section 7508.8. A bureau-issued registration
20 card shall be carried by those individuals specified by Section
21 7506.3, and shall be shown on demand to any bureau employee
22 or law enforcement officer. The fine shall be ~~twenty-five dollars~~
23 *(\$25) one hundred dollars (\$100)* for each violation.

24 (c) Using ~~an alias~~ *a business name other than the name under*
25 *which the license is issued* in connection with the official activities
26 of the licensee's business. ~~A notice of warning shall be issued for~~
27 ~~the first violation. Thereafter the fine shall be twenty-five dollars~~
28 ~~(\$25) for each violation. The bureau shall issue a notice of warning~~
29 *for a first violation, a fine of one hundred dollars (\$100) for the*
30 *second violation, and a fine not to exceed two hundred fifty dollars*
31 *(\$250) for each violation thereafter.*

32 (d) Appearing as an assignee party in any court proceeding
33 involving claim and delivery, replevin, or other possessory court
34 action, action to foreclose a chattel mortgage, mechanic's lien,
35 materialman's lien, or any other lien. This section shall not prohibit
36 a licensee from appearing as a defendant in any of the preceding
37 actions. The fine shall be one hundred dollars (\$100) for each
38 violation.

39 *SEC. 5. Section 7508.2 of the Business and Professions Code*
40 *is amended to read:*

1 7508.2. The director may assess administrative fines for any
2 of the following prohibited acts:

3 (a) Recovering collateral or making any money demand in lieu
4 thereof, including, but not limited to, collateral registered under
5 the Vehicle Code, that has been sold under a security agreement
6 before a signed or telegraphic authorization has been received from
7 the legal owner, debtor, lienholder, lessor, or repossession agency
8 acting on behalf of the legal owner, debtor, lienholder, or lessor
9 of the collateral. A telephonic assignment is acceptable if the legal
10 owner, debtor, lienholder, lessor, or repossession agency acting
11 on behalf of the legal owner, debtor, lienholder, or lessor is known
12 to the licensee and a written authorization from the legal owner,
13 debtor, lienholder, lessor, or repossession agency acting on behalf
14 of the legal owner, debtor, lienholder, or lessor is received by the
15 licensee within 10 working days or a request by the licensee for a
16 written authorization from the legal owner, debtor, lienholder,
17 lessor, or repossession agency acting on behalf of the legal owner,
18 debtor, lienholder, or lessor is made in writing within 10 working
19 days. Referrals of assignments from one licensee to another
20 licensee are acceptable. The referral of an assignment shall be
21 made under the same terms and conditions as in the original
22 assignment. The fine shall be ~~twenty-five dollars (\$25)~~ *one hundred*
23 *dollars (\$100)* for each of the first five violations and ~~one hundred~~
24 ~~dollars (\$100)~~ *violation and five hundred dollars (\$500)* for each
25 violation thereafter, per audit.

26 (b) Using collateral or personal effects, which have been
27 recovered, for the personal benefit of a licensee, or officer, partner,
28 manager, registrant, or employee of a licensee. The fine shall be
29 ~~twenty-five dollars (\$25)~~ *two hundred fifty dollars (\$250)* for the
30 first violation and ~~one hundred dollars (\$100)~~ *a fine not to exceed*
31 *one thousand dollars (\$1,000)* for each violation thereafter. This
32 subdivision does not apply to personal effects disposed of pursuant
33 to subdivision (c) of Section 7507.9. Nothing in this subdivision
34 prohibits the using or taking of personal property connected,
35 adjoined, or affixed to the collateral through an unbroken sequence
36 if that use or taking is reasonably necessary to effectuate the
37 recovery in a safe manner or to protect the collateral or personal
38 effects.

39 (c) Selling collateral recovered under this chapter, or making a
40 demand for payment in lieu of repossession. The fine shall be two

1 hundred fifty dollars (\$250) for the first violation and *a fine not*
 2 *to exceed* one thousand dollars (\$1,000) for each subsequent
 3 violation.

4 (d) Unlawfully entering any private building or secured area
 5 without the consent of the owner, or of the person in legal
 6 possession thereof, at the time of repossession. The fine shall be
 7 five hundred dollars (\$500) for each violation.

8 (e) ~~Committing unlawful assault or battery on another person.~~
 9 *person during the course of a repossession.* The fine shall ~~be not~~
 10 *exceed two thousand five hundred dollars (\$2,500)* for each
 11 violation.

12 (f) ~~Falsification or alteration of an inventory. The fine shall be~~
 13 ~~twenty-five dollars (\$25) for each violation.~~ *one hundred dollars*
 14 *(\$100) for the first violation and two hundred fifty dollars (\$250)*
 15 *for each violation thereafter.*

16 (g) Soliciting from the legal owner the recovery of specific
 17 collateral registered under the Vehicle Code or under the motor
 18 vehicle licensing laws of other states after the collateral has been
 19 seen or located on a public street or on public or private property
 20 without divulging the location of the vehicle. The fine shall be one
 21 hundred dollars (\$100) for the first violation and two hundred fifty
 22 dollars (\$250) for each violation thereafter.

23 *SEC. 6. Section 7508.3 of the Business and Professions Code*
 24 *is amended to read:*

25 7508.3. A licensee, or any of his or her registrants or
 26 employees, or a qualified certificate holder, ~~shall be~~ *is* prohibited
 27 from using any false or misleading representation during the course
 28 of recovery of collateral and ~~may be issued collateral.~~ *The bureau*
 29 *shall issue a notice of warning for the first violation; assessed a*
 30 ~~twenty-five dollar (\$25) fine for the second violation; and assessed~~
 31 ~~a one hundred dollar (\$100) fine a first violation, a fine of one~~
 32 *hundred dollars (\$100) for the second violation, and a fine not to*
 33 *exceed two hundred fifty dollars (\$250) for any subsequent*
 34 *violation of any of the following:*

35 (a) The false representation or implication that the individual
 36 is vouched for, bonded by, or affiliated with the United States or
 37 with any state, county, city, or city and county, including the use
 38 of any badge, uniform, or facsimile thereof.

39 (b) The false representation or implication that any individual
 40 is an attorney or that any communication is from any attorney.

1 (c) The representation or implication by a repossession agency
2 or its registrants or employees that nonpayment of any debt will
3 result in the arrest or imprisonment of any person or the seizure,
4 garnishment, attachment, or sale of any property or wages of any
5 person, unless the action is lawful and the creditor has instructed
6 the repossession agency to inform the debtor that the creditor
7 intends to take the action.

8 (d) The threat to take any action that cannot legally be ~~taken or~~
9 ~~that is not intended to be taken.~~

10 (e) The false representation or implication that the debtor
11 committed any crime or other conduct in order to disgrace the
12 debtor.

13 (f) The use or distribution of any written communication which
14 simulates or is falsely represented to be a document authorized,
15 issued, or approved by any court, official, or agency of the United
16 States or any state, or which creates a false impression as to its
17 source, authorization, or approval.

18 (g) The false representation or implication that documents are
19 legal process.

20 (h) The use of any business, company, or organization name
21 other than the true name of the repossession agency's business,
22 company, or organization.

23 (i) The use of any deceptive forms.

24 *SEC. 7. Section 7508.4 of the Business and Professions Code*
25 *is amended to read:*

26 7508.4. The director may assess administrative fines for any
27 of the following prohibited acts:

28 (a) Conducting business from any location other than that
29 location to which a license was issued or conducting a business as
30 an individual, partnership, limited liability company, or corporation
31 unless the licensee holds a valid license issued to that exact same
32 individual, partnership, limited liability company, or corporation.
33 The fine shall be one thousand dollars (\$1,000) for each violation.

34 (b) Aiding or abetting an unlicensed reposessor or assigning
35 his or her license. "Assigning his or her license" means that no
36 licensee shall permit a registrant, employee, or agent in his or her
37 own name to advertise, engage clients, furnish reports, or present
38 bills to clients, or in any manner whatsoever to conduct business
39 for which a license is required under this chapter. The fine shall
40 be one thousand dollars (\$1,000) for each violation.

1 (c) Failing to register registrants within 15 days. The fine shall
2 be two hundred fifty dollars (\$250) for each of the first two
3 violations and one thousand dollars (\$1,000) for each violation
4 thereafter.

5 (d) Employing a person whose registration has expired or been
6 revoked, denied, suspended, or canceled, if the bureau has furnished
7 a listing of these persons to the licensee. The fine shall be
8 ~~twenty-five dollars (\$25) for each violation.~~ *one hundred fifty*
9 *dollars (\$150) for the first violation and a fine not to exceed one*
10 *thousand dollars (\$1,000) for each violation thereafter.*

11 (e) Failing to notify the bureau, within 30 days, of any change
12 in officers. A notice of warning shall be issued for the first
13 violation. Thereafter, the fine shall be ~~twenty-five dollars (\$25)~~
14 *five hundred dollars (\$500) for each violation.*

15 (f) Failing to submit the notices regarding a violent act or
16 threatened violent act within seven days pursuant to Section 7507.6
17 or to submit a copy of a judgment awarded against the licensee
18 for an amount of more than the then prevailing maximum claim
19 that may be brought in small claims court within seven days
20 pursuant to Section 7507.7. The fine shall be ~~twenty-five dollars~~
21 ~~(\$25) not exceed five hundred dollars (\$500) for the first violation~~
22 ~~and one hundred dollars (\$100) per shall not exceed one thousand~~
23 ~~dollars (\$1,000) for each violation thereafter.~~

24 (g) Failing to include the licensee's name, address, and license
25 number in any advertisement. ~~A notice of warning shall be issued~~
26 ~~for the first violation. Thereafter, the~~ *The fine shall be twenty-five*
27 ~~dollars (\$25) fifty dollars (\$50) for each violation.~~

28 (h) Failing to maintain personal effects for at least 60 days. The
29 fine shall be ~~twenty-five dollars (\$25) one hundred dollars (\$100)~~
30 ~~for the first violation and one hundred dollars (\$100) two hundred~~
31 ~~fifty dollars (\$250) for each violation thereafter.~~

32 (i) Failing to provide a personal effects list or a notice of seizure
33 within the time limits set forth in Section 7507.9 or 7507.10. The
34 fine shall be ~~twenty-five dollars (\$25) one hundred dollars (\$100)~~
35 ~~for the first violation and one hundred dollars (\$100) two hundred~~
36 ~~fifty dollars (\$250) for each violation thereafter.~~

37 (j) Failing to file the required report pursuant to Section 28 of
38 the Vehicle Code. The fine shall be ~~twenty-five dollars (\$25) one~~
39 ~~hundred dollars (\$100) for each of the first five violations~~ *violation*

1 and ~~one hundred dollars (\$100)~~ *two hundred fifty dollars (\$250)*
2 for each violation thereafter, per audit.

3 (k) Failing to maintain an accurate record and accounting of
4 secure temporary registration forms. The qualified certificate holder
5 shall be fined ~~twenty-five dollars (\$25) for the first violation, one~~
6 ~~hundred dollars (\$100) for the second violation, two hundred fifty~~
7 ~~dollars (\$250) for the third violation, and two hundred fifty dollars~~
8 ~~(\$250)~~ *two hundred fifty dollars (\$250) for the first violation, fined*
9 *an amount not to exceed five hundred dollars (\$500) for the second*
10 *violation, and fined an amount not to exceed one thousand dollars*
11 *(\$1,000) plus a one-year suspension of the privilege to issue*
12 *temporary registrations pursuant to Section 7506.9 for the*~~fourth~~
13 *third and subsequent violations.*

14 (l) Representing that a licensee has an office and conducts
15 business at a specific address when that is not the case. The fine
16 shall be five thousand dollars (\$5,000) for each violation.

17 (m) Notwithstanding any other ~~provision of law~~, the money in
18 the Private Security Services Fund that is attributable to
19 administrative fines imposed pursuant to ~~subdivision (e)~~ *this section*
20 shall not be continuously appropriated and shall be available for
21 expenditure only upon appropriation by the Legislature.

22 *SEC. 8. Section 7508.6 of the Business and Professions Code*
23 *is amended to read:*

24 7508.6. The director may assess administrative fines against
25 any repossession agency licensee, qualified certificate holder, or
26 registrant for failure to notify the bureau within 30 days of any
27 change of residence or business address. The fine shall be
28 ~~twenty-five dollars (\$25)~~ *fifty dollars (\$50)* for each violation.

29 *SEC. 9. Article 12 (commencing with Section 7511.5) is added*
30 *to Chapter 11 of Division 3 of the Business and Professions Code,*
31 *to read:*

32
33 *Article 12. Review*
34

35 7511.5. *Notwithstanding any other law, the powers and duties*
36 *of the bureau, as set forth in this chapter, shall be subject to review*
37 *by the appropriate policy committees of the Legislature. The review*
38 *shall be performed as if this chapter were scheduled to be repealed*
39 *as of January 1, 2020.*

1 *SEC. 10. Section 7520.3 of the Business and Professions Code*
2 *is amended to read:*

3 7520.3. (a) As a condition of the issuance, reinstatement,
4 reactivation, or continued valid use of a license under this chapter,
5 a limited liability company shall, in accordance with this section,
6 maintain a policy or policies of insurance against liability imposed
7 on or against it by law for damages arising out of claims based
8 upon acts, errors, or omissions arising out of the private investigator
9 services it provides.

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

12 (1) For a limited liability company licensee with five or fewer
13 persons named as managing members pursuant to subdivision (i)
14 of Section 7525.1, the aggregate limit shall not be less than one
15 million dollars (\$1,000,000).

16 (2) For a limited liability company licensee with more than five
17 persons named as managing members pursuant to subdivision (i)
18 of Section 7525.1, an additional one hundred thousand dollars
19 (\$100,000) of insurance shall be obtained for each person named
20 as managing members of the licensee except that the maximum
21 amount of insurance is not required to exceed five million dollars
22 (\$5,000,000) in any one designated period, less amounts paid in
23 defending, settling, or discharging claims as set forth under this
24 section.

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

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

1 *as the certificate holder for the purposes of receiving notifications*
2 *related to the policy's status.*

3 (e) (1) If a licensee fails to maintain sufficient insurance as
4 required by this section, or fails to provide proof of the required
5 insurance upon request by the bureau, the license is subject to
6 suspension and shall be automatically suspended pursuant to this
7 subdivision until the date that the licensee provides proof to the
8 bureau of compliance with the insurance coverage requirement.

9 (2) Prior to an automatic suspension, the bureau shall notify the
10 licensee, in writing, that it has 30 days to provide proof to the
11 bureau of having the required insurance or the license shall be
12 automatically suspended.

13 (3) If the licensee fails to provide proof of insurance coverage
14 within this period, the bureau may automatically suspend the
15 license.

16 (f) If the license of a limited liability company is suspended
17 pursuant to subdivision (e), each member of the limited liability
18 company shall be personally liable up to one million dollars
19 (\$1,000,000) each for damages resulting to third parties in
20 connection with the company's performance, during the period of
21 suspension, of any act or contract when a license is required by
22 this chapter.

23 (g) This section shall remain in effect only until January 1, 2018,
24 and as of that date is ~~repealed, unless a later enacted statute, that~~
25 ~~is enacted before January 1, 2018, deletes or extends that date.~~
26 *repealed.*

27 *SEC. 11. Section 7525.1 of the Business and Professions Code,*
28 *as amended by Section 5 of Chapter 635 of the Statutes of 2015,*
29 *is amended to read:*

30 7525.1. An application shall be verified and shall include:

- 31 (a) The full name and business address of the applicant.
32 (b) The name under which the applicant intends to do business.
33 (c) A statement as to the general nature of the business in which
34 the applicant intends to engage.

35 (d) A verified statement of his or her experience qualifications.

36 (e) (1) If the applicant is an individual, a qualified manager, a
37 partner of a partnership, an officer of a corporation designated in
38 subdivision (h), or a managing member of a limited liability
39 company designated in subdivision (i), one personal identification
40 form provided by the bureau upon which shall appear a photograph

1 taken within one year immediately preceding the date of the filing
2 of the application together with two legible sets of fingerprints,
3 one set of which shall be forwarded to the Federal Bureau of
4 Investigation for purposes of a background check, on a form
5 approved by the Department of Justice, and a personal description
6 of each person, respectively. The identification form shall include
7 residence addresses and employment history for the previous five
8 years and be signed under penalty of perjury.

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

13 (f) In addition, if the applicant for a license is an individual, the
14 application shall list all other names known as or used during the
15 past 10 years and shall state that the applicant is to be personally
16 and actively in charge of the business for which the license is
17 sought. If any other qualified manager is to be actively in charge
18 of the business, the application shall be subscribed, verified, and
19 signed by the applicant, under penalty of perjury. If any other
20 person is to be actively in charge of the business, the application
21 shall also be subscribed, verified, and signed by that person under
22 penalty of perjury.

23 (g) If the applicants for a license are copartners, the application
24 shall state the true names and addresses of all partners and the
25 name of the partner to be actively in charge of the business for
26 which the license is sought and list all other names known as or
27 used during the past 10 years. If a qualified manager other than a
28 partner is to be actively in charge of the business, then the
29 application shall be subscribed, verified, and signed by all of the
30 partners under penalty of perjury. If any other person is to be
31 actively in charge of the business, the application shall also be
32 subscribed, verified, and signed by that person, under penalty of
33 perjury, under penalty of perjury by all of the partners and the
34 qualified manager, or by all of the partners or the qualified
35 manager.

36 (h) If the applicant for a license is a corporation, the application
37 shall state the true names and complete residence addresses of the
38 chief executive officer, secretary, chief financial officer, and any
39 other corporate officer who will be active in the business to be
40 licensed. The application shall also state the name and address of

1 the designated person to be actively in charge of the business for
2 which the license is sought. The application shall be subscribed,
3 verified, and signed by a duly authorized officer of the applicant
4 and by the qualified manager thereof, under penalty of perjury.

5 (i) If the applicant for a license is a limited liability company,
6 the application shall state the true name and complete residence
7 address of each managing member and any other officer or member
8 who will be active in the business to be licensed. A copy of the
9 most recent articles of organization, as filed by the Secretary of
10 State, shall be supplied to the bureau upon request. The application
11 shall also state the name and residence address of the designated
12 person to be actively in charge of the business for which the license
13 is sought. The application shall be subscribed, verified, and signed
14 by a duly authorized member of the applicant *and by the qualified*
15 *manager thereof* under penalty of perjury.

16 (j) Any other information, evidence, statements, or documents
17 as may be required by the director.

18 (k) At the discretion of the applicant, a valid email address.

19 (l) This section shall remain in effect only until January 1, 2018,
20 and as of that date is ~~repealed, unless a later enacted statute, that~~
21 ~~is enacted before January 1, 2018, deletes or extends that date.~~
22 *repealed.*

23 *SEC. 12. Section 7533.5 of the Business and Professions Code*
24 *is amended to read:*

25 7533.5. (a) A licensee shall notify the bureau within 30 days
26 of any change in its corporate ~~officers or~~ *officers, or members*
27 *required to be named pursuant to subdivision (h) or (i) of Section*
28 *7525.1, and of any addition of a new partner.*

29 (b) Applications, on forms prescribed by the director, shall be
30 submitted by all new ~~officers~~ *officers, managing members,* and
31 partners. The director may suspend or revoke a license issued under
32 this chapter if the director determines that the new ~~officer~~ *officer,*
33 *managing member,* or partner of a licensee has committed any of
34 the acts constituting grounds to deny an application for a license
35 or to take disciplinary action against a licensee pursuant to Section
36 7538 or 7538.5, respectively.

37 (c) *This section shall remain in effect only until January 1, 2018,*
38 *and as of that date is repealed.*

39 *SEC. 13. Section 7533.5 is added to the Business and*
40 *Professions Code, to read:*

1 7533.5. (a) A licensee shall notify the bureau within 30 days
 2 of any change in its corporate officers, or members required to be
 3 named pursuant to subdivision (h) of Section 7525.1, and of any
 4 addition of a new partner.

5 (b) Applications, on forms prescribed by the director, shall be
 6 submitted by all new officers and partners. The director may
 7 suspend or revoke a license issued under this chapter if the director
 8 determines that the new officer or partner of a licensee has
 9 committed any of the acts constituting grounds to deny an
 10 application for a license or to take disciplinary action against a
 11 licensee pursuant to Section 7538 or 7538.5, respectively.

12 (c) This section shall become operative on January 1, 2018.

13 SEC. 14. Section 7542 of the Business and Professions Code
 14 is amended to read:

15 7542. ~~Every~~(a) A licensee and qualified manager who in the
 16 course of his or her employment or business carries a deadly
 17 weapon shall complete a course of training in the exercise of the
 18 powers to arrest as specified in Section 7583.7 and a course of
 19 training in the carrying and use of firearms as specified in Article
 20 4 (commencing with Section 7583) of Chapter 11.5. ~~No~~ A licensee
 21 or qualified manager shall *not* carry or use a firearm unless he or
 22 she has met the requirements of Sections 7583.23, ~~7583.28, and~~
 23 ~~7583.29~~ 7583.24, and 7583.28 and has in his or her possession a
 24 valid firearms qualification ~~card as provided in Section 7583.30.~~
 25 ~~card.~~ A licensee or qualified manager who possesses a valid
 26 firearms qualification card shall comply ~~with~~ *with*, and be subject
 27 ~~to the provisions of~~ *to*, Sections 7583.25, 7583.26, 7583.27,
 28 7583.30, 7583.31, 7583.32, and 7583.37. A licensee or qualified
 29 manager who possesses a valid firearms qualification card may
 30 carry a firearm capable of being concealed upon the person in a
 31 concealed manner if he or she complies with applicable provisions
 32 set forth in Chapter 4 (commencing with Section 26150) of Division
 33 5 of Title 4 of Part 6 of the Penal Code.

34 (b) If a firearms qualification card is denied, the denial shall
 35 be in writing and shall describe the basis for the denial. The denial
 36 shall inform the applicant that if he or she desires a review by the
 37 Private Investigator Disciplinary Review Committee to contest the
 38 denial, the review shall be requested of the director within 30 days
 39 following the issuance of the denial. A review or hearing shall be
 40 held pursuant to Section 7519.3. However, no review or hearing

1 shall be granted to an individual who is otherwise prohibited by
2 law from carrying a firearm.

3 (c) (1) If a firearms qualification card is denied on the basis
4 of the results of an assessment pursuant to 7583.47, the denial
5 shall be in writing and shall describe the basis for the denial. The
6 denial shall inform the applicant that if he or she desires to contest
7 the denial, the applicant shall request a hearing within 30 days of
8 the issuance of the denial.

9 (2) Appeals of denials pursuant to this subdivision shall be in
10 accordance with Chapter 5 (commencing with Section 11500) of
11 Part 1 of Division 3 of Title 2 of the Government Code.

12 SEC. 15. Section 7563 of the Business and Professions Code
13 is amended to read:

14 7563. The director, in lieu of suspending or revoking a license
15 issued under this chapter for violations of Sections 7561.1, 7561.3,
16 and 7561.4, may impose a civil penalty not to exceed five hundred
17 dollars (\$500) for the first violation, and one thousand dollars
18 (\$1,000) for each violation thereafter, upon a licensee, if the
19 director determines that this action better serves the purposes of
20 this chapter.

21 SEC. 16. Section 7566 of the Business and Professions Code
22 is amended to read:

23 7566. The director may assess administrative fines of fifty
24 dollars (\$50) against any licensee, ~~registrant~~, qualified manager,
25 or firearms qualification cardholder for each violation for failure
26 to notify the bureau within 30 days of any change of residence or
27 business address. The principal place of business may be at a home
28 or at a business address, but it shall be the place at which the
29 licensee maintains a permanent office.

30 ~~(a) The fine shall be twenty-five dollars (\$25) for each violation~~
31 ~~by a licensee.~~

32 ~~(b) The fine shall be fifteen dollars (\$15) for each violation by~~
33 ~~a registrant or a firearms qualification cardholder.~~

34 SEC. 17. Section 7570 of the Business and Professions Code,
35 as amended by Section 16 of Chapter 669 of the Statutes of 2014,
36 is amended to read:

37 7570. The fees prescribed by this chapter are as follows:

38 (a) The application and examination fee for an original license
39 shall not exceed fifty dollars (\$50).

- 1 (b) The application fee for an original branch office certificate
- 2 shall not exceed thirty dollars (\$30).
- 3 (c) The fee for an original license for a private investigator shall
- 4 not exceed one hundred seventy-five dollars (\$175).
- 5 (d) The renewal fee is as follows:
- 6 (1) For a license as a private investigator, the fee shall not
- 7 exceed one hundred twenty-five dollars (\$125).
- 8 ~~(2) For a combination license as a private investigator and~~
- 9 ~~private patrol operator under Chapter 11.5 (commencing with~~
- 10 ~~Section 7580), AC or DC prefix, the fee shall not exceed six~~
- 11 ~~hundred dollars (\$600).~~
- 12 ~~(3)~~
- 13 (2) For a branch office certificate for a private investigator, the
- 14 fee shall not exceed thirty dollars ~~(\$30), and for a combination~~
- 15 ~~private investigator and private patrol operator under Chapter 11.5~~
- 16 ~~(commencing with Section 7580), the fee shall not exceed forty~~
- 17 ~~dollars (\$40). (\$30).~~
- 18 (e) The delinquency fee is 50 percent of the renewal fee in effect
- 19 on the date of expiration.
- 20 (f) A reinstatement fee is equal to the amount of the renewal
- 21 fee plus the regular delinquency fee.
- 22 (g) The fee for reexamination of an applicant or his or her
- 23 manager shall not exceed fifteen dollars (\$15).
- 24 (h) The processing fee for the assignment of a license pursuant
- 25 to Section 7530 shall not exceed one hundred twenty-five dollars
- 26 (\$125).
- 27 (i) This section shall remain in effect only until January 1, 2018,
- 28 and as of that date is ~~repealed, unless a later enacted statute, that~~
- 29 ~~is enacted before January 1, 2018, deletes or extends that date.~~
- 30 ~~repealed.~~
- 31 *SEC. 18. Section 7570 of the Business and Professions Code,*
- 32 *as added by Section 17 of Chapter 669 of the Statutes of 2014, is*
- 33 *amended to read:*
- 34 7570. The fees prescribed by this chapter are as follows:
- 35 (a) The application and examination fee for an original license
- 36 shall not exceed fifty dollars (\$50).
- 37 (b) The application fee for an original branch office certificate
- 38 shall not exceed thirty dollars (\$30).
- 39 (c) The fee for an original license for a private investigator shall
- 40 not exceed one hundred seventy-five dollars (\$175).

1 (d) The renewal fee is as follows:
2 (1) For a license as a private investigator, the fee shall not
3 exceed one hundred twenty-five dollars (\$125).

4 ~~(2) For a combination license as a private investigator and
5 private patrol operator under Chapter 11.5 (commencing with
6 Section 7580), AC or DC prefix, the fee shall not exceed six
7 hundred dollars (\$600).~~

8 ~~(3)~~
9 (2) For a branch office certificate for a private investigator, the
10 fee shall not exceed thirty dollars ~~(\$30), and for a combination
11 private investigator and private patrol operator under Chapter 11.5
12 (commencing with Section 7580), the fee shall not exceed forty
13 dollars (\$40).~~ (\$30).

14 (e) The delinquency fee is 50 percent of the renewal fee in effect
15 on the date of expiration.

16 (f) A reinstatement fee is equal to the amount of the renewal
17 fee plus the regular delinquency fee.

18 (g) The fee for reexamination of an applicant or his or her
19 manager shall not exceed fifteen dollars (\$15).

20 (h) This section shall become operative on January 1, 2018.

21 *SEC. 19. Article 8 (commencing with Section 7573.5) is added*
22 *to Chapter 11.3 of Division 3 of the Business and Professions*
23 *Code, to read:*

24
25 *Article 8. Review*

26
27 *7573.5. Notwithstanding any other law, the powers and duties*
28 *of the bureau, as set forth in this chapter, shall be subject to review*
29 *by the appropriate policy committees of the Legislature. The review*
30 *shall be performed as if this chapter were scheduled to be repealed*
31 *as of January 1, 2020.*

32 *SEC. 20. Section 7574.21 of the Business and Professions Code*
33 *is amended to read:*

34 7574.21. A person registered as a proprietary private security
35 employer shall do the following with respect to proprietary private
36 security officers in his or her employment:

37 (a) Maintain an accurate and current record of the name, address,
38 commencing date of employment, and position of each proprietary
39 private security officer, and the date of termination of employment
40 when a proprietary private security officer is terminated.

1 (b) Maintain an accurate and current record of proof of
2 completion by each proprietary private security officer of the
3 training described in Section ~~7574.5~~. 7574.18.

4 SEC. 21. Article 6 (commencing with Section 7576) is added
5 to Chapter 11.4 of Division 3 of the Business and Professions
6 Code, to read:

7
8
9

Article 6. Review

10 7576. Notwithstanding any other law, the powers and duties
11 of the bureau, as set forth in this chapter, shall be subject to review
12 by the appropriate policy committees of the Legislature. The review
13 shall be performed as if this chapter were scheduled to be repealed
14 as of January 1, 2020.

15 SEC. 22. Section 7583.3 of the Business and Professions Code
16 is amended to read:

17 7583.3. No person required to be registered as a security guard
18 pursuant to this chapter shall do any of the following:

19 (a) Fail to carry on his or her person, while on duty, a valid and
20 current security guard registration card.

21 (b) Fail to carry on his or her person a valid and current firearms
22 permit when carrying a firearm on duty.

23 (c) Carry or use a firearm unless he or she possesses a valid and
24 current firearms permit *that is associated with a valid and current*
25 *security guard registration* issued pursuant to this chapter.

26 (d) Fail to report to his or her employer within 24 hours of the
27 incident the circumstances surrounding any incident involving the
28 discharge of any firearm in which he or she is involved while acting
29 within the course and scope of his or her employment.

30 SEC. 23. Section 7583.4 of the Business and Professions Code
31 is amended to read:

32 7583.4. Any person registered as a security guard or
33 ~~patrolperson~~ *patrolperson*, and the employer of the security guard
34 or *patrolperson*, shall deliver to the director a written report
35 describing fully the circumstances surrounding any incident
36 involving the discharge of any firearm in which he or she was
37 involved while acting within the course and scope of his or her
38 employment, within seven days after the incident. The report shall
39 be made on a form prescribed by the director which shall include,
40 but not be limited to, the following:

1 (a) The name, address, and date of birth of the guard or
2 patrolperson.

3 (b) The registration number of the guard or patrolperson.

4 (c) The firearm permit number and baton permit number of the
5 guard or patrolperson, if applicable.

6 (d) The name of the employer of the person.

7 (e) The description of any injuries and damages that occurred.

8 (f) The identity of all participants in the incident.

9 (g) Whether a police investigation was conducted relating to
10 the incident.

11 (h) The date and location of the incident. Any report may be
12 investigated by the director to determine if any disciplinary action
13 is necessary.

14 A copy of the report delivered to the director pursuant to this
15 section shall also be delivered within seven days of the incident
16 to the local police or sheriff's department which has jurisdiction
17 over the geographic area where the incident occurred.

18 *SEC. 24. Section 7583.6 of the Business and Professions Code*
19 *is amended to read:*

20 7583.6. (a) A person entering the employ of a licensee to
21 perform the functions of a security guard or a security patrolperson
22 shall complete a course in the exercise of the power to arrest prior
23 to being assigned to a duty location.

24 (b) Except for a registrant who has completed the course of
25 training required by Section 7583.45, a person registered pursuant
26 to this chapter shall complete not less than 32 hours of training in
27 security officer skills within six months from the date the
28 registration card is issued. Sixteen of the 32 hours shall be
29 completed within 30 days from the date the registration card is
30 issued.

31 (c) A course provider shall issue a certificate to a security guard
32 upon satisfactory completion of a required course, conducted in
33 accordance with the department's requirements. A private patrol
34 operator may provide training programs and courses in addition
35 to the training required in this section. A registrant who is unable
36 to provide his or her employing licensee the certificate of
37 satisfactory completion required by this subdivision shall complete
38 16 hours of the training required by subdivision (b) within 30 days
39 of the date of his *or her* employment and shall complete the 16
40 remaining hours within six months of his or her employment date.

1 (d) The department shall develop and approve by regulation a
2 standard course and curriculum for the skills training required by
3 subdivision (b) to promote and protect the safety of persons and
4 the security of property. For this purpose, the department shall
5 consult with consumers, labor organizations representing private
6 security officers, private patrol operators, educators, and subject
7 matter experts.

8 (e) The course of training required by subdivision (b) may be
9 administered, tested, and certified by any licensee, or by any
10 organization or school approved by the department. The department
11 may approve any person or school to teach the course.

12 (f) (1) On and after January 1, 2005, a licensee shall annually
13 provide each employee registered pursuant to this chapter with
14 eight hours of specifically dedicated review or practice of security
15 officer skills prescribed in either course required in Section 7583.6
16 or 7583.7.

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

21 (g) This section does not apply to a peace officer as defined in
22 Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2
23 of the Penal Code who has successfully completed a course of
24 study in the exercise of the power to arrest approved by the
25 Commission on Peace Officer Standards and ~~Training~~. *Training,*
26 *or a federal qualified law enforcement officer, as defined in Section*
27 *926B of Title 18 of the United States Code, who has successfully*
28 *completed a course of study in the exercise of the power to arrest.*
29 This section does not apply to armored vehicle guards.

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

31 *SEC. 25. Section 7583.9 of the Business and Professions Code*
32 *is amended to read:*

33 7583.9. (a) Upon accepting employment by a private patrol
34 operator, any employee who performs the function of a security
35 guard or security patrolperson who is not currently registered with
36 the bureau, shall complete an application for registration on a form
37 as prescribed by the director, and obtain two classifiable fingerprint
38 cards for submission to the Department of Justice. The applicant
39 shall submit the application, the registration fee, and his or her
40 fingerprints to the bureau. The bureau shall forward the classifiable

1 fingerprint cards to the Department of Justice. The Department of
2 Justice shall forward one classifiable fingerprint card to the Federal
3 Bureau of Investigation for purposes of a background check.

4 (b) If a private patrol operator pays the application fee on behalf
5 of the applicant, nothing in this section shall preclude the private
6 patrol operator from withholding the amount of the fee from the
7 applicant's compensation.

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

10 (d) In lieu of classifiable fingerprint cards provided for in this
11 section, the bureau may authorize applicants to submit their
12 fingerprints into an electronic fingerprinting system administered
13 by the Department of Justice. Applicants who submit their
14 fingerprints by electronic means shall have their fingerprints
15 entered into the system through a terminal operated by a law
16 enforcement agency or other facility authorized by the Department
17 of Justice to conduct electronic fingerprinting. The enforcement
18 agency responsible for operating the terminal may charge a fee
19 sufficient to reimburse it for the costs incurred in providing this
20 service.

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

24 (1) Every conviction rendered against the applicant.

25 (2) Every arrest for an offense for which the applicant is
26 presently awaiting trial, whether the applicant is incarcerated or
27 has been released on bail or on his or her own recognizance
28 pending trial.

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

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

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

36 (2) An individual listed in subparagraph (A) or (B) of paragraph
37 (1) may immediately perform the functions of a security guard or
38 security patrolperson provided that he or she has submitted an
39 application, the applicable fees, and his or her fingerprints, if

1 required to submit fingerprints pursuant to subdivision (a), to the
2 bureau for a security guard registration.

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

5 (g) Peace officers exempt from the submission of classifiable
6 fingerprints pursuant to subdivision (f) shall submit verification
7 of their active duty peace officer status to the bureau with their
8 application for registration. A photocopy of the front and back of
9 their peace officer identification badge shall be adequate
10 verification.

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

15 (i) (1) Peace officers exempt from obtaining a firearm
16 qualification card pursuant to subdivision ~~(e)~~ (e) of Section 7583.12
17 shall submit to the bureau with their application for registration a
18 letter of approval from his or her primary employer authorizing
19 him or her to carry a firearm while working as a security guard or
20 security officer.

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

24 (j) In addition to the amount authorized pursuant to Section
25 7570.1, the bureau may impose an additional fee not to exceed
26 three dollars (\$3) for processing classifiable fingerprint cards
27 submitted by applicants excluding those submitted into an
28 electronic fingerprint system using electronic fingerprint
29 technology.

30 (k) An employee shall, on the first day of employment, display
31 to the client his or her registration card if it is feasible and practical
32 to comply with this disclosure requirement. The employee shall
33 thereafter display to the client his or her registration card upon the
34 request of the client.

35 *SEC. 26. Section 7583.12 of the Business and Professions Code*
36 *is amended to read:*

37 7583.12. (a) ~~No~~ An employee of a licensee shall *not* carry or
38 use a firearm unless the employee has in his or her possession both
39 of the following:

1 (1) A valid guard registration card issued pursuant to this
2 chapter.

3 (2) A valid firearm qualification card issued pursuant to this
4 chapter.

5 (b) An employee of a licensee may carry or use a firearm while
6 working as a security guard or security patrolperson pending receipt
7 of a firearm qualification card if he or she has been approved by
8 the bureau and carries on his or her person a hardcopy printout of
9 the bureau's approval from the bureau's Internet Web site and a
10 valid picture identification.

11 (c) In the event of the loss or destruction of the firearm
12 qualification card, the cardholder may apply to the bureau for a
13 certified replacement of the card, stating the circumstances
14 surrounding the loss, and pay a ten-dollar (\$10) certification fee,
15 whereupon the bureau shall issue a certified replacement of the
16 card.

17 (d) Paragraph (2) of subdivision (a) and subdivision (b) shall
18 not apply to a duly appointed peace officer, as defined in Chapter
19 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal
20 Code, who meets all of the following:

21 (1) He or she has successfully completed a course of study in
22 the use of firearms.

23 (2) He or she is authorized to carry a concealed firearm in the
24 course and scope of his or her employment pursuant to Article 2
25 (commencing with Section 25450) of Chapter 2 of Division 5 of
26 Title 4 of Part 6 of the Penal Code.

27 (3) He or she has proof that he or she has applied to the bureau
28 for a firearm qualification card.

29 (e) (1) This section shall not apply to a duly appointed peace
30 officer, as defined in Chapter 4.5 (commencing with Section 830)
31 of Title 3 of Part 2 of the Penal Code, *or a federal qualified law*
32 *enforcement officer, as defined in Section 926B of Title 18 of the*
33 *United States Code*, who has written approval from his or her
34 primary employer, as defined in paragraph (2) of subdivision (i)
35 of Section 7583.9, to carry a firearm while working as a security
36 ~~guard or security officer.~~ *guard.*

37 (2) A peace officer exempt under this subdivision shall carry
38 on his or her person a letter of approval from his or her primary
39 employer authorizing him or her to carry a firearm while working
40 as a security ~~guard or security officer.~~ *guard.*

1 *SEC. 27. Section 7583.22 of the Business and Professions Code*
2 *is amended to read:*

3 7583.22. (a) A licensee, qualified manager of a licensee, or
4 security guard who, in the course of his or her employment, may
5 be required to carry a firearm shall, prior to carrying a firearm, do
6 both of the following:

7 (1) Complete a course of training in the carrying and use of
8 firearms.

9 (2) Receive a firearms qualification card or be otherwise
10 qualified to carry a firearm as provided in Section 7583.12.

11 (b) A licensee shall not permit an employee to carry or use a
12 loaded or unloaded firearm, whether or not it is serviceable or
13 operative, unless the employee possesses a valid and current
14 firearms qualification card issued by the bureau or is so otherwise
15 qualified to carry a firearm as provided in Section 7583.12.

16 (c) A pocket card issued by the bureau pursuant to Section
17 7582.13 may also serve as a firearms qualification card if so
18 indicated on the face of the card.

19 (d) Paragraph (1) of subdivision (a) shall not apply to a peace
20 officer as defined in Chapter 4.5 (commencing with Section 830)
21 of Title 3 of Part 2 of the Penal Code, who has successfully
22 completed a course of study in the use of *firearms or to a federal*
23 *qualified law enforcement officer, as defined in Section 926B of*
24 *Title 18 of the United States Code, who has successfully completed*
25 *a course of study in the use of firearms.*

26 ~~(e) This section shall become operative on January 1, 1998.~~

27 *SEC. 28. Section 7583.23 of the Business and Professions Code*
28 *is amended to read:*

29 7583.23. The bureau shall issue a firearms permit when all of
30 the following conditions are satisfied:

31 (a) The applicant is a licensee, a qualified manager of a licensee,
32 or a registered ~~uniformed~~ security guard. *guard subject to both of*
33 *the following:*

34 (1) *The firearms permit may only be associated with the*
35 *following:*

36 (A) *A sole owner of a sole ownership licensee, pursuant to*
37 *Section 7582.7 or 7525.1.*

38 (B) *A partner of a partnership licensee, pursuant to Section*
39 *7582.7 or 7525.1.*

1 (C) *A qualified manager of a licensee, pursuant to Section 7536*
2 *or 7582.22.*

3 (D) *A security guard registrant.*

4 (2) *If the firearms permit is associated with a security guard*
5 *registration, he or she is subject to the provisions of Section*
6 *7583.47, regardless of any other license possessed or associated*
7 *with the firearms permit.*

8 (b) A certified firearms training instructor has certified that the
9 applicant has successfully completed a written examination
10 prepared by the bureau and training course in the carrying and use
11 of firearms approved by the bureau.

12 (c) The applicant has filed with the bureau a classifiable
13 fingerprint card, a completed application for a firearms permit on
14 a form prescribed by the director, dated and signed by the applicant,
15 certifying under penalty of perjury that the information in the
16 application is true and correct.

17 (d) The bureau has determined, after investigation, that the
18 carrying and use of a firearm by the applicant, in the course of his
19 or her duties, presents no apparent threat to the public safety, or
20 that the carrying and use of a firearm by the applicant is not in
21 violation of the Penal Code.

22 (e) The applicant has produced evidence to the firearm training
23 facility that he or she is a citizen of the United States or has
24 permanent legal alien status in the United States. Evidence of
25 citizenship or permanent legal alien status shall be that deemed
26 sufficient by the bureau to ensure compliance with federal laws
27 prohibiting possession of firearms by persons unlawfully in the
28 United States and may include, but not be limited to, *United States*
29 *Department of Justice, Immigration and Naturalization Service*
30 *Form I-151 or I-551, Alien Registration Receipt Card,*
31 *naturalization documents, or birth certificates evidencing lawful*
32 *residence or status in the United States.*

33 (f) The application is accompanied by the application fees
34 prescribed in this chapter.

35 (g) *Beginning January 1, 2018, the applicant is a registered*
36 *security guard and he or she has been found capable of exercising*
37 *appropriate judgment, restraint, and self-control, for the purposes*
38 *of carrying and using a firearm during the course of his or her*
39 *duties, pursuant to Section 7583.47.*

1 *SEC. 29. Section 7583.24 of the Business and Professions Code*
2 *is amended to read:*

3 7583.24. (a) The bureau shall not issue a firearm permit if the
4 applicant is prohibited from possessing, receiving, owning, or
5 purchasing a firearm pursuant to state or federal law.

6 (b) Before issuing an initial firearm permit the bureau shall
7 provide the Department of Justice with the name, address, social
8 security number, and fingerprints of the applicant.

9 (c) The Department of Justice shall inform the bureau, within
10 60 days from receipt of the information specified in subdivision
11 (b), of the applicant's eligibility to possess, receive, purchase, or
12 own a firearm pursuant to state and federal law.

13 (d) An applicant who has been denied a firearm permit based
14 upon subdivision (a) may reapply for the permit after the
15 prohibition expires. The bureau shall treat this application as an
16 initial application and shall follow the required screening process
17 as specified in this section.

18 (e) *Beginning January 1, 2018, the bureau shall not issue a*
19 *firearm permit pursuant to this chapter to a registered security*
20 *guard if the applicant has been found incapable, at the time of*
21 *application, of exercising appropriate judgment, restraint, and*
22 *self-control for the purposes of carrying and using a firearm during*
23 *the course of his or her duties, pursuant to Section 7583.47. An*
24 *applicant who has been denied a firearm permit pursuant to this*
25 *subdivision may reapply for the permit after 12 months from the*
26 *date of denial. The bureau shall treat the application as an initial*
27 *application and the applicant must satisfy all the requirements*
28 *specified in Section 7583.23.*

29 (f) *Beginning January 1, 2018, the bureau shall not issue a*
30 *firearm permit pursuant to this chapter to a licensee or a qualified*
31 *manager of a licensee who, within the past 12 months, has been*
32 *found incapable of exercising appropriate judgment, restraint,*
33 *and self-control, for the purposes of carrying and using a firearm*
34 *during the course of his or her duties, pursuant to the assessment*
35 *required under Section 7583.47 for a permit associated with a*
36 *security guard registration.*

37 *SEC. 30. Section 7583.25 of the Business and Professions Code*
38 *is amended to read:*

1 7583.25. (a) The bureau shall not renew a firearm permit if
2 the applicant is prohibited from possessing, receiving, purchasing,
3 or owning a firearm pursuant to state or federal law.

4 (b) Before renewing a firearm permit, the bureau shall provide
5 the Department of Justice with the information necessary to identify
6 the renewal applicant. ~~No firearm permit shall be renewed if the~~
7 ~~expiration date of the permit is between October 1, 1993, and~~
8 ~~October 1, 1994, unless the application for renewal is also~~
9 ~~accompanied by a classifiable fingerprint card and the fingerprint~~
10 ~~processing fees for that card.~~

11 (c) The Department of Justice shall inform the bureau, within
12 30 days of receipt of the information specified in subdivision (b),
13 of the renewal applicant's eligibility to possess, receive, purchase,
14 or own a firearm pursuant to state and federal law.

15 (d) An applicant who is denied a firearm permit renewal based
16 upon subdivision (a) may reapply for the permit after the
17 prohibition expires. The bureau shall treat this as an initial
18 application and shall follow the screening process specified in
19 Section 7583.24.

20 *SEC. 31. Section 7583.27 of the Business and Professions Code*
21 *is amended to read:*

22 7583.27. (a) A firearm permit shall be automatically revoked
23 if at any time the Department of Justice notifies the bureau that
24 the holder of the firearm permit is prohibited from possessing,
25 receiving, or purchasing a firearm pursuant to state or federal law.
26 Following the automatic revocation, an administrative hearing
27 shall be provided upon written request to the bureau in accordance
28 with Chapter 5 (commencing with Section 11500) of Part 1 of
29 Division 3 of Title 2 of the Government Code.

30 (b) *The bureau shall seek an emergency order pursuant to*
31 *Article 13 (commencing with Section 11460.10) of Chapter 4.5 of*
32 *Part 1 of Division 3 of Title 2 of the Government Code against the*
33 *holder of the firearms permit if, after the bureau's investigation*
34 *relating to any of the following events, the bureau determines that*
35 *the holder of the firearms permit presents an undue hazard to*
36 *public safety that may result in substantial injury to another:*

37 (1) *Receipt of subsequent arrest information of an arrest for*
38 *any of the following:*

39 (A) *Assault.*

40 (B) *Battery.*

1 (C) Any use of force or violence on any person committed by
2 the permitholder.

3 (2) A report from a bureau-approved firearms training facility
4 or instructor made pursuant to Section 7585.18.

5 (3) A report from the permitholder's employer or former
6 employer that the permitholder may be a threat to public safety.

7 (4) A complaint filed by any member of the public that the
8 permitholder may be a threat to public safety.

9 (5) If the permitholder has been determined incapable of
10 exercising appropriate judgment, restraint, and self-control
11 pursuant to the assessment required under Section 7583.47 for a
12 permit associated with a security guard registration.

13 SEC. 32. Section 7583.29 of the Business and Professions Code
14 is amended to read:

15 7583.29. (a) If a firearms permit is denied, the denial of the
16 permit shall be in writing and shall describe the basis for the denial.
17 The denial shall inform the applicant that if he or she desires a
18 review by a disciplinary review committee to contest the denial,
19 the review shall be requested of the director within 30 days
20 following notice of the issuance of the denial. A review or hearing
21 shall be held pursuant to Section 7581.3. However, no review or
22 hearing shall be granted to an individual who is otherwise
23 prohibited by law from carrying a firearm.

24 (b) (1) If a firearms permit is denied on the basis of the results
25 of an assessment required pursuant to Section 7583.47 for a permit
26 associated with a security guard registration, the denial shall be
27 in writing and shall describe the basis for the denial. The denial
28 shall inform the applicant that if he or she desires to contest the
29 denial, the applicant shall request a hearing within 30 days of the
30 issuance of the denial.

31 (2) Appeals of denials pursuant to this subdivision shall be in
32 accordance with Chapter 5 (commencing with Section 11500) of
33 Part 1 of Division 3 of Title 2 of the Government Code.

34 SEC. 33. Section 7583.32 of the Business and Professions Code
35 is amended to read:

36 7583.32. (a) A firearms qualification card expires two years
37 from the date of issuance, if not renewed. A person who wishes
38 to renew a firearms qualification card shall file an application for
39 renewal at least 60 days prior to the card's expiration. A person

1 whose card has expired shall not carry a firearm until he or she
2 has been issued a renewal card by the bureau.

3 (b) The bureau shall not renew a firearms qualification card
4 unless all of the following conditions are satisfied:

5 (1) The cardholder has filed with the bureau a completed
6 application for renewal of a firearms qualification card, on a form
7 prescribed by the director, dated and signed by the applicant under
8 penalty of perjury certifying that the information on the application
9 is true and correct.

10 (2) The applicant has requalified on the range and has
11 successfully passed a written examination based on course content
12 as specified in the firearms training manual approved by the
13 department and taught at a training facility approved by the bureau.

14 (3) The application is accompanied by a firearms requalification
15 fee as prescribed in this chapter.

16 (4) The applicant has produced evidence to the firearm training
17 facility, either upon receiving his or her original qualification card
18 or upon filing for renewal of that card, that he or she is a citizen
19 of the United States or has permanent legal alien status in the
20 United States. Evidence of citizenship or permanent legal alien
21 status is that deemed sufficient by the bureau to ensure compliance
22 with federal laws prohibiting possession of firearms by persons
23 unlawfully in the United States and may include, but not be limited
24 to, *the United States* Department of Justice, Immigration and
25 Naturalization Service Form I-151 or I-551, Alien Registration
26 Receipt Card, naturalization documents, or birth certificates
27 evidencing lawful residence or status in the United States.

28 (c) An expired firearms qualification card may not be renewed.
29 A person with an expired registration is required to apply for a
30 new firearms qualification in the manner required of persons not
31 previously registered. A person whose card has expired shall not
32 carry a firearm until he or she has been issued a new firearms
33 qualification card by the bureau.

34 (d) Paragraph (2) of subdivision (b) shall not apply to a duly
35 appointed peace officer, as defined in Chapter 4.5 (commencing
36 with Section 830) of Title 3 of Part 2 of the Penal Code who is
37 authorized to carry a firearm in the course of his or her duties and
38 who has successfully completed requalification training.

39 *SEC. 34. Section 7583.33 of the Business and Professions Code*
40 *is amended to read:*

1 7583.33. (a) Any licensee, qualified manager, or a registered
 2 uniformed security guard who wishes to carry a baton in the
 3 performance of his or her duties, shall qualify to carry the weapon
 4 pursuant to Article 5 (commencing with Section 7585).

5 (b) Subdivision (a) does not apply to a peace officer as defined
 6 in Chapter 4.5 (commencing with Section 830) of Title 3 of Part
 7 2 of the Penal Code who has successfully completed a course of
 8 study in the use of *batons or to a federal qualified law enforcement*
 9 *officer, as defined in Section 926B of Title 18 of the United States*
 10 *Code, who has successfully completed a course of study in the use*
 11 *of batons.*

12 *SEC. 35. Section 7583.37 of the Business and Professions Code*
 13 *is amended to read:*

14 7583.37. The director may assess fines as enumerated in Article
 15 7 (commencing with Section 7587). Assessment of administrative
 16 fines shall be independent of any other action by the bureau or any
 17 local, state, or federal governmental agency that may result from
 18 a violation of this article. In addition to other prohibited acts under
 19 this chapter, no licensee, qualified manager, or registered security
 20 guard shall, during the course and scope of licensed activity, do
 21 any of the following:

- 22 (a) Carry any inoperable, replica, or other simulated firearm.
- 23 (b) Use a firearm in violation of the law, or in knowing violation
- 24 of the standards for the carrying and usage of firearms as taught
- 25 in the course of training in the carrying and use of firearms.
- 26 Unlawful or prohibited uses of firearms shall include, but not be
- 27 limited to, the following:
 - 28 (1) Illegally using, carrying, or possessing a dangerous weapon.
 - 29 (2) Brandishing a weapon.
 - 30 (3) Drawing a weapon without proper cause.
 - 31 (4) Provoking a shooting incident without cause.
 - 32 (5) Carrying or using a firearm while on duty while under the
 - 33 influence of alcohol or dangerous drugs.
 - 34 (6) Carrying or using a firearm of a caliber for which a firearms
 - 35 permit has not been issued by the bureau.
 - 36 (7) *Carrying or using a firearm while performing duties not*
 - 37 *related to the qualifying license or registration to which the bureau*
 - 38 *associated the firearms permit.*

1 (c) Carry or use a baton in the performance of his or her duties,
2 unless he or she has in his or her possession a valid baton certificate
3 issued pursuant to Section 7585.14.

4 (d) Carry or use tear gas or any other nonlethal chemical agent
5 in the performance of his or her duties unless he or she has in his
6 or her possession proof of completion of a course in the carrying
7 and use of tear gas or any other nonlethal chemical agent.

8 (e) Carry a concealed pistol, revolver, or other firearm capable
9 of being concealed upon the person unless one of the following
10 circumstances applies:

11 (1) The person has been issued a permit to carry a pistol,
12 revolver, or other firearm capable of being concealed upon the
13 person in a concealed manner by a local law enforcement agency
14 pursuant to Section 26150, 26155, 26170, or 26215 of the Penal
15 Code.

16 (2) The person is employed as a guard or messenger of a
17 common carrier, bank, or other financial institution and he or she
18 carries the weapon while actually employed in and about the
19 shipment, transportation, or delivery of any money, treasure,
20 bullion, bonds, or other thing of value within this state, as specified
21 in Section 25630 of the Penal Code.

22 (3) The person is an honorably retired peace officer authorized
23 to carry a concealed firearm pursuant to Section 25650 of the Penal
24 Code or Article 2 (commencing with Section 25450) of Chapter
25 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

26 (4) The person is a duly appointed peace officer, as defined in
27 Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2
28 of the Penal Code, who is authorized to carry a concealed firearm
29 in the course and scope of his or her employment pursuant to
30 Article 2 (commencing with Section 25450) of Chapter 2 of
31 Division 5 of Title 4 of Part 6 of the Penal Code.

32 *SEC. 36. Section 7583.39 of the Business and Professions Code*
33 *is amended to read:*

34 7583.39. (a) The bureau shall require, as a condition precedent
35 to the issuance, reinstatement, reactivation, renewal, or continued
36 maintenance of a license, that the applicant or licensee file or have
37 on file with the bureau, an insurance policy, as defined in Section
38 7583.40.

39 (b) If a licensee fails to maintain sufficient insurance, as required
40 by this section, or fails to provide proof of the required insurance

1 policy upon request by the bureau, the license shall be
2 automatically suspended by operation of law until the date that the
3 licensee provides proof to the bureau of compliance with the
4 insurance coverage requirement. Prior to an automatic suspension,
5 the bureau shall notify the licensee, in writing, that it has 30 days
6 to provide proof to the bureau of having the required insurance
7 policy or the license shall be automatically suspended.

8 (c) (1) A Certificate of Liability Insurance issued by an
9 authorized agent or employee of the insurer shall be submitted to
10 the bureau electronically, or in a manner authorized by the bureau,
11 for an insurance policy secured by a licensee in satisfaction of this
12 section. *The insurer shall list the bureau as the certificate holder*
13 *for the purposes of receiving notifications related to the policy's*
14 *status.*

15 (2) An insurer issuing a Certificate of Liability Insurance
16 pursuant to paragraph (1) shall report the following information
17 to the bureau for an insurance policy required by this section:

18 (A) The name of the insured.

19 (B) The licensee's license number.

20 (C) The policy number.

21 (D) The dates that coverage is scheduled to commence and end.

22 (E) The cancellation date, if applicable.

23 *SEC. 37. Section 7583.47 is added to the Business and*
24 *Professions Code, to read:*

25 *7583.47. (a) As used in this section, "assessment" means the*
26 *application of a testing instrument identified by the bureau that*
27 *evaluates whether an applicant for a firearms permit who is a*
28 *registered security guard, at the time of the assessment, possesses*
29 *appropriate judgment, restraint, and self-control for the purposes*
30 *of carrying and using a firearm during the course of his or her*
31 *security guard duties.*

32 *(b) Beginning January 1, 2018, the applicant shall complete*
33 *the assessment, as specified in this section.*

34 *(c) (1) The bureau shall implement a process to administer the*
35 *assessment specified in this section by January 1, 2018. The*
36 *establishment of the assessment and the process for administering*
37 *the assessment shall not be subject to the requirements of Chapter*
38 *3.5 (commencing with Section 11340) of Part 1 of Division 3 of*
39 *Title 2 of the Government Code.*

1 (2) *The bureau shall consult with a California licensed*
2 *psychologist, psychologists, or other persons with subject matter*
3 *expertise, whose minimum duties shall include, but are not limited*
4 *to, assisting the bureau with all of the following:*
5 (A) *Establishing criteria for a contract with a vendor to*
6 *administer the assessment.*
7 (B) *Identifying minimum standards for the assessment.*
8 (C) *Evaluating currently available assessments.*
9 (D) *Providing consultative services on the bids received by the*
10 *bureau from third-party vendors seeking to administer and*
11 *interpret the assessment, to ensure both of the following:*
12 (i) *Compliance with the applicable standards of care for the*
13 *administration and interpretation of such assessments.*
14 (ii) *The assessment will be administered in accordance with the*
15 *assessment manufacturer's requirements.*
16 (3) *The bureau shall contract with a third-party vendor to*
17 *administer the assessment. All third-party vendors seeking to*
18 *administer the assessment must meet the minimum standards*
19 *established by the bureau, its consultants, and the assessment*
20 *manufacturer's requirements for administering the assessment.*
21 *Considerations for the third-party vendor contract shall include,*
22 *but are not limited to, all of the following:*
23 (A) *Cost to the applicant to complete the assessment.*
24 (B) *Geographic accessibility statewide of the assessment to*
25 *applicants.*
26 (C) *Assessment compliance with the established minimum*
27 *standards for the assessment and assessment process.*
28 (D) *Ensuring an assessment carried out on an applicant*
29 *complies with the applicable professional standards of care for*
30 *such assessments, as well as the assessment manufacturer's*
31 *requirements for administering the assessment.*
32 (d) *Upon the bureau's verification that the applicant has*
33 *satisfied subdivisions (a) to (f), inclusive, of Section 7583.23 and*
34 *upon the applicant's clearance of a background check by the*
35 *Department of Justice and the Federal Bureau of Investigation to*
36 *possess a firearm, the bureau shall notify the applicant that he or*
37 *she is to contact the bureau's vendor to complete the assessment.*
38 *The applicant, or his or her designee or employer if the employer*
39 *voluntarily chooses, shall bear the cost of the assessment.*

1 (e) Within 30 days of administering an applicant's assessment,
2 the vendor shall directly provide the bureau, on a form and in a
3 manner prescribed by the bureau, the applicant's assessment
4 results. If the results of the applicant's assessment indicate that
5 he or she is incapable of exercising appropriate judgment,
6 restraint, and self-control for the purposes of carrying and using
7 a firearm during the course of his or her duties, at the point in
8 time of the evaluation, the bureau shall not issue a firearms permit.

9 (f) The application shall be deemed incomplete until the bureau
10 receives the applicant's results of his or her assessment.

11 (g) The bureau may prescribe, adopt, and enforce emergency
12 regulations, and promulgate regulations to implement this section.
13 Any emergency regulation prescribed, adopted, or enforced
14 pursuant to this section shall be adopted in accordance with
15 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
16 3 of Title 2 of the Government Code, and for purposes of that
17 chapter, including Section 11349.6 of the Government Code, the
18 adoption of the regulation is an emergency and shall be considered
19 by the Office of Administrative Law as necessary for the immediate
20 preservation of the public peace, health and safety, and general
21 welfare.

22 (h) The assessment required pursuant to this section shall be
23 subject to review by the appropriate policy committees of the
24 Legislature. The review shall be performed as if this section was
25 scheduled to be repealed as of January 1, 2020.

26 SEC. 38. Section 7585.4.1 is added to the Business and
27 Professions Code, to read:

28 7585.4.1. (a) (1) Within 120 days after issuance of a
29 "Firearms Training Facility Certificate," the bureau shall inspect
30 the facility for compliance with the applicable requirements of this
31 article and the applicable rules and regulations of the bureau
32 adopted pursuant to this article.

33 (2) The bureau may inspect the establishment for which a
34 certificate application has been made prior to the issuance of the
35 certificate.

36 (b) The bureau shall maintain a program of random and
37 targeted inspections of facilities to ensure compliance with
38 applicable laws relating to the conduct and operation of facilities.

1 (c) If the bureau determines that any facility is not complying
2 with applicable laws relating to the conduct and operation of
3 facilities, notice thereof shall immediately be given to the facility.

4 (d) In addition to the notice, the bureau may issue a citation or
5 take other disciplinary action for violations of applicable laws.

6 SEC. 39. Section 7587.8 of the Business and Professions Code
7 is amended to read:

8 7587.8. The director may assess fines for the following acts
9 pursuant to Article 4 (commencing with Section 7583) only as
10 follows:

11 (a) Violation of subdivisions (a), (b), and (c) of Section 7583.2;
12 ~~one hundred dollars (\$100)~~ five hundred dollars (\$500) per
13 violation.

14 (b) Violation of subdivisions (h) and (i) of Section 7583.2; ~~one~~
15 ~~hundred dollars (\$100) for the first violation and two hundred fifty~~
16 dollars (\$250) per violation for each violation thereafter. violation.

17 (c) Violation of subdivision (d) of Section 7583.2; ~~one hundred~~
18 ~~dollars (\$100)~~ five hundred dollars (\$500) per violation.

19 (d) Violation of subdivision (g) of Section 7583.2; ~~five hundred~~
20 ~~dollars (\$500)~~ one thousand dollars (\$1,000) for the first violation
21 and ~~one two thousand five hundred dollars (\$1,500)~~ (\$2,500) per
22 violation for each violation thereafter.

23 (e) Violation of subdivision (f) of Section 7583.2; two thousand
24 five hundred dollars (\$2,500) per violation, notwithstanding any
25 other provision of law.

26 SEC. 40. Section 7587.9 of the Business and Professions Code
27 is amended to read:

28 7587.9. The director may assess fines for the following acts
29 pursuant to Article 4 (commencing with Section 7583) only as
30 follows:

31 (a) Violation of subdivisions (a) and (b) of Section 7583.3;
32 ~~twenty-five dollars (\$25) for the first violation and fifty dollars~~
33 ~~(\$50) per violation for each violation thereafter.~~ one hundred fifty
34 dollars (\$150) per violation.

35 (b) Violation of subdivision (c) of Section 7583.3; ~~two hundred~~
36 ~~fifty dollars (\$250)~~ five hundred dollars (\$500) for the first
37 violation and ~~five hundred dollars (\$500)~~ one thousand dollars
38 (\$1,000) per violation for each violation thereafter.

1 (c) Violation of Section 7583.4; ~~two hundred fifty dollars (\$250)~~
 2 ~~for the first violation and five hundred dollars (\$500) per violation~~
 3 ~~for each violation thereafter.~~ *violation.*

4 *SEC. 41. Section 7587.10 of the Business and Professions Code*
 5 *is amended to read:*

6 7587.10. The director may assess fines for the following acts
 7 pursuant to Article 4 (commencing with Section 7583) only as
 8 follows:

9 (a) Violation of subdivisions (c) and (d) of Section 7583.37;
 10 one hundred dollars (\$100) for the first violation and two hundred
 11 dollars (\$200) for each violation thereafter.

12 (b) Violation of subdivision (a) of Section 7583.37; one hundred
 13 dollars (\$100) for the first violation and five hundred dollars (\$500)
 14 for each violation thereafter.

15 (c) Violation of subdivision (e) of Section 7583.37; one thousand
 16 dollars ~~(\$1000);~~ *(\$1,000).*

17 (d) Violation of subdivision (b) of Section 7583.37; one
 18 thousand dollars ~~(\$1000) for the first violation~~ *(\$1,000)* and
 19 suspension of a firearm qualification card for six months ~~for each~~
 20 ~~violation thereafter.~~ *the first violation and, for a violation*
 21 *thereafter, one thousand dollars (\$1,000) and a suspension of a*
 22 *firearm qualification card for not more than one year.*

23 *SEC. 42. Section 7587.12 of the Business and Professions Code*
 24 *is amended to read:*

25 7587.12. The director may assess fines for the following acts
 26 only as follows:

27 (a) Violations of paragraph (1), (2), (11), or (12) of subdivision
 28 (a) of Section 7585.19; ~~one hundred dollars (\$100)~~ *two hundred*
 29 *fifty dollars (\$250)* for the first violation and five hundred dollars
 30 (\$500) for subsequent violations.

31 (b) Violations of paragraph (3), (7), (8), or (10) of subdivision
 32 (a) of Section 7585.19; five hundred dollars (\$500) for each
 33 violation.

34 (c) Violations of paragraph (6) of subdivision (a) of Section
 35 7585.19; ~~two hundred fifty dollars (\$250)~~ *five hundred dollars*
 36 *(\$500)* for each hour shortened.

37 (d) Violations of paragraph (4) of subdivision (a) of Section
 38 7585.19; five hundred dollars (\$500) for each violation.

1 (e) Violations of paragraph (5) of subdivision (a) of Section
2 7585.19; five hundred dollars (\$500) for every hour the course has
3 been shortened.

4 (f) Violations of paragraph (9) of subdivision (a) of Section
5 7585.19; one thousand dollars (\$1,000) for each violation.

6 *SEC. 43. Section 7587.14 of the Business and Professions Code*
7 *is amended to read:*

8 7587.14. The director may assess administrative fines *of fifty*
9 *dollars (\$50)* against any licensee, registrant, or firearms
10 qualification cardholder *for each violation* for failure to notify the
11 bureau within 30 days of any change of residence or business
12 address. The principal place of business may be at a home or at a
13 business address, but it shall be the place at which the licensee
14 maintains a permanent office.

15 ~~(a) The fine shall be twenty-five dollars (\$25) for the first~~
16 ~~violation and fifty dollars (\$50) per violation for each violation~~
17 ~~thereafter by a licensee.~~

18 ~~(b) The fine shall be fifty dollars (\$50) for each violation by a~~
19 ~~registrant or a firearms qualification cardholder.~~

20 *SEC. 44. Section 7587.15 of the Business and Professions Code*
21 *is amended to read:*

22 7587.15. Notwithstanding any other provision of law, the
23 director may assess a fine of up to five thousand dollars (\$5,000)
24 per violation against any licensee for a failure to comply with
25 subdivision (e) of Section ~~7583.2 or Section 7583.11. In addition,~~
26 ~~the director may deny, suspend, or revoke a license issued under~~
27 ~~this chapter for a failure to comply with Section 7583.11. 7583.2.~~

28 *SEC. 45. Section 7588 of the Business and Professions Code*
29 *is amended to read:*

30 7588. The fees prescribed by this chapter are as follows:

31 (a) The application and examination fee for an original license
32 for a private patrol operator may not exceed five hundred dollars
33 (\$500).

34 (b) The application fee for an original branch office certificate
35 for a private patrol operator may not exceed two hundred fifty
36 dollars (\$250).

37 (c) The fee for an original license for a private patrol operator
38 may not exceed seven hundred dollars (\$700).

39 (d) The renewal fee is as follows:

- 1 (1) For a license as a private patrol operator, the fee may not
2 exceed seven hundred dollars (\$700).
- 3 ~~(2) For a combination license as a private investigator under~~
4 ~~Chapter 11.3 (commencing with Section 7512) and private patrol~~
5 ~~operator, AC or DC prefix, the fee may not exceed six hundred~~
6 ~~dollars (\$600).~~
- 7 ~~(3)~~
- 8 (2) For a branch office certificate ~~for a combination private~~
9 ~~investigator under Chapter 11.3 (commencing with Section 7512)~~
10 ~~and private patrol operator, the fee may not exceed forty dollars~~
11 ~~(\$40), and for a private patrol operator, the fee may not exceed~~
12 ~~seventy-five dollars (\$75).~~
- 13 (e) The delinquency fee is 50 percent of the renewal fee in effect
14 on the date of expiration.
- 15 (f) A reinstatement fee is equal to the amount of the renewal
16 fee plus the regular delinquency fee.
- 17 (g) The fee for reexamination of an applicant or his or her
18 manager shall be the actual cost to the bureau for developing,
19 purchasing, grading, and administering each examination.
- 20 (h) Registration fees pursuant to this chapter are as follows:
- 21 (1) A registration fee for a security guard shall not exceed fifty
22 dollars (\$50).
- 23 (2) A security guard registration renewal fee shall not exceed
24 thirty-five dollars (\$35).
- 25 (i) Fees to carry out other provisions of this chapter are as
26 follows:
- 27 (1) A firearms qualification fee may not exceed eighty dollars
28 (\$80).
- 29 (2) A firearms requalification fee may not exceed sixty dollars
30 (\$60).
- 31 (3) An initial baton certification fee may not exceed fifty dollars
32 (\$50).
- 33 (4) An application fee and renewal fee for certification as a
34 firearms training facility or a baton training facility may not exceed
35 five hundred dollars (\$500).
- 36 (5) An application fee and renewal fee for certification as a
37 firearms training instructor or a baton training instructor may not
38 exceed two hundred fifty dollars (\$250).

1 *SEC. 46. Article 9 (commencing with Section 7588.8) is added*
2 *to Chapter 11.5 of Division 3 of the Business and Professions*
3 *Code, to read:*

4
5 *Article 9. Review*
6

7 7588.8. *Notwithstanding any other law, the powers and duties*
8 *of the bureau, as set forth in this chapter, shall be subject to review*
9 *by the appropriate policy committees of the Legislature. The review*
10 *shall be performed as if this chapter were scheduled to be repealed*
11 *as of January 1, 2020.*

12 *SEC. 47. Section 7591.11 of the Business and Professions Code*
13 *is amended to read:*

14 7591.11. (a) *The bureau shall deny a firearms permit, pursuant*
15 *to Chapter 2 (commencing with Section 29800) of Division 9 of*
16 *Title 4 of Part 6 of the Penal Code, to any licensee, qualified*
17 *manager, or alarm agent who has been convicted of a felony, unless*
18 *the felony conviction has been reduced pursuant to Section 17 of*
19 *the Penal Code or the person has been pardoned by the Governor.*
20 *The licensee, qualified manager, or alarm agent shall not have a*
21 *right to a review or a hearing if the denial is made pursuant to this*
22 *section.*

23 (b) *The bureau shall not issue a firearms permit pursuant to*
24 *this chapter to an applicant who, within the past 12 months, has*
25 *been found incapable of exercising appropriate judgment, restraint,*
26 *and self-control, for the purposes of carrying and using a firearm*
27 *during the course of his or her duties pursuant to the assessment*
28 *required under Section 7583.47 for a permit associated with a*
29 *security guard registration.*

30 *SEC. 48. Section 7596.3 of the Business and Professions Code*
31 *is amended to read:*

32 7596.3. *The director shall issue a firearms permit when all of*
33 *the following conditions exist:*

34 (a) *The applicant is a licensee, a qualified manager of a licensee,*
35 *a designated branch office manager of a licensee, or a registered*
36 *alarm agent. A firearms permit may only be associated with the*
37 *following:*

38 (1) *A sole owner of a sole ownership licensee.*

39 (2) *A partner of a partnership licensee.*

40 (3) *A qualified manager of a licensee.*

1 (4) A designated branch office manager of a licensee.

2 (5) A registered alarm agent.

3 (b) The applicant has filed with the bureau a classifiable
4 fingerprint card, a completed application for a firearms permit on
5 a form prescribed by the director, dated and signed by the applicant,
6 certifying under penalty of perjury that the information in the
7 application is true and correct.

8 (c) A certified firearms training instructor certifies that the
9 applicant has successfully completed the bureau-approved training
10 course in the carrying and use of firearms.

11 (d) The applicant has provided the bureau with evidence that
12 the applicant has completed a course in the exercise of the powers
13 to arrest.

14 (e) The bureau has determined, after investigation, that the
15 carrying and use of a firearm by the applicant, in the course of his
16 or her duties, presents no apparent threat to the public safety, or
17 the carrying and use of a firearm by the applicant is not in violation
18 of the Penal Code.

19 (f) The applicant has produced evidence to the firearm training
20 facility that he or she is a citizen of the United States or has
21 permanent legal alien status in the United States. Evidence of
22 citizenship or permanent legal alien status shall be that deemed
23 sufficient by the bureau to ensure compliance with federal laws
24 prohibiting possession of firearms by persons unlawfully in the
25 United States and may include, but not be limited to, Department
26 of Justice, Immigration and Naturalization Service Form I-151 or
27 I-551, Alien Registration Receipt Card, naturalization documents,
28 or birth certificates evidencing lawful residence or status in the
29 United States.

30 (g) The application is accompanied by the fee prescribed in this
31 chapter.

32 *SEC. 49. Section 7596.4 of the Business and Professions Code*
33 *is amended to read:*

34 7596.4. (a) (1) If a firearms permit is denied, the denial of
35 the permit shall be in writing and shall describe the basis for the
36 denial. The denial shall inform the applicant that if he or she desires
37 a review by the Alarm Company Operator Disciplinary Review
38 ~~Committee or a hearing to contest the denial; Committee, the review~~
39 ~~or hearing~~ shall be requested within 30 days of the issuance of the
40 denial.

1 ~~A~~

2 (2) A review or hearing shall be held pursuant to Section
3 7591.19. However, no review or hearing shall be granted to an
4 individual who is otherwise prohibited by law from carrying a
5 firearm.

6 ***(b) (1) If a firearms permit is denied on the basis of the results***
7 ***of an assessment required for a permit associated with a security***
8 ***guard registration pursuant to 7583.47, the denial shall be in***
9 ***writing and shall describe the basis for the denial. The denial shall***
10 ***inform the applicant that if he or she desires to contest the denial,***
11 ***the applicant shall request a hearing within 30 days of the issuance***
12 ***of the denial.***

13 ***(2) Appeals of denials pursuant to this subdivision shall be in***
14 ***accordance with Chapter 5 (commencing with Section 11500) of***
15 ***Part 1 of Division 3 of Title 2 of the Government Code.***

16 ***SEC. 50. Section 7596.8 of the Business and Professions Code***
17 ***is amended to read:***

18 7596.8. (a) ~~Effective October 1, 1993, the~~~~The~~ bureau shall
19 not issue a firearm permit if the applicant is prohibited from
20 possessing, receiving, owning, or purchasing a firearm pursuant
21 to state or federal law.

22 (b) Before issuing an initial firearm permit the bureau shall
23 provide the Department of Justice with the name, address, social
24 security number, and fingerprints of the applicant.

25 (c) The Department of Justice shall inform the bureau, within
26 60 days from receipt of the information specified in subdivision
27 (b), of the applicant's eligibility to possess, receive, purchase, or
28 own a firearm pursuant to state and federal law.

29 (d) An applicant who has been denied a firearm permit based
30 upon subdivision (a) may reapply for the permit after the
31 prohibition expires. The bureau shall treat this application as an
32 initial application and shall follow the required screening process
33 as specified in this section.

34 ***(e) The bureau shall not issue a firearm permit pursuant to this***
35 ***chapter to an applicant who, within the past 12 months, has been***
36 ***found incapable of exercising appropriate judgment, restraint,***
37 ***and self-control, for the purposes of carrying and using a firearm***
38 ***during the course of his or her duties, pursuant to the assessment***
39 ***required under Section 7583.47 for a permit associated with a***
40 ***security guard registration.***

1 SEC. 51. Section 7596.83 of the Business and Professions Code
2 is amended to read:

3 7596.83. (a) A firearm permit shall be automatically revoked
4 if at any time the Department of Justice notifies the bureau that
5 the holder of the firearm permit is prohibited from possessing,
6 receiving, or purchasing a firearm pursuant to state or federal law.
7 Following the automatic revocation, an administrative hearing
8 shall be provided upon written request to the bureau in accordance
9 with Chapter 5 (commencing with Section 11500) of Part 1 of
10 Division 3 of Title 2 of the Government Code.

11 (b) The bureau shall seek an emergency order pursuant to
12 Article 13 (commencing with Section 11460.10) of Chapter 4.5 of
13 Part 1 of Division 3 of Title 2 of the Government Code against the
14 holder of the firearms permit if, after the bureau's investigation
15 relating to any of the following events, the bureau determines that
16 the holder of the firearms permit presents an undue hazard to
17 public safety that may result in substantial injury to another:

18 (1) Receipt of subsequent arrest information of an arrest for
19 any of the following:

20 (A) Assault.

21 (B) Battery.

22 (C) Any use of force or violence on any person committed by
23 the permitholder.

24 (2) A report from a bureau-approved firearms training facility
25 or instructor made pursuant to Section 7585.18.

26 (3) A report from the permitholder's employer or former
27 employer that the permitholder may be a threat to public safety.

28 (4) A complaint filed by any member of the public that the permit
29 holder may be a threat to public safety.

30 (5) If the permitholder has been determined incapable of
31 exercising appropriate judgment, restraint, and self-control
32 pursuant to the assessment required under Section 7583.47 for a
33 permit associated with a security guard registration.

34 SEC. 52. Section 7597.1 of the Business and Professions Code
35 is amended to read:

36 7597.1. (a) ~~No~~A licensee, qualified manager, branch office
37 manager, or alarm agent shall not carry, use, or possess a loaded
38 or unloaded firearm in the course and scope of his or her
39 employment, whether or not it is serviceable or operative, unless
40 he or she has in his or her possession a valid and current firearms

1 qualification card issued to him or her by the bureau. The card
2 shall be shown to any peace officer or bureau representative upon
3 demand.

4 (b) Subdivision (a) shall not apply to a duly appointed peace
5 officer, as defined in Chapter 4.5 (commencing with Section 830)
6 of Title 3 of Part 2 of the Penal Code, *or a federal qualified law*
7 *enforcement officer, as defined in Section 926B of Title 18 of the*
8 *United States Code*, who meets all of the following:

9 (1) He or she has successfully completed a course of study in
10 the use of firearms.

11 (2) He or she is authorized to carry a concealed firearm in the
12 course and scope of his or her employment pursuant to Article 2
13 (commencing with Section 25450) of Chapter 2 of Division 5 of
14 Title 4 of Part 6 of the Penal Code.

15 (3) He or she has proof that he or she has applied to the bureau
16 for a firearms qualification card.

17 (c) A fine of ~~twenty-five dollars (\$25)~~ *two hundred fifty dollars*
18 *(\$250)* may be assessed for the first violation of this section and
19 a fine of ~~one hundred dollars (\$100)~~ *five hundred dollars (\$500)*
20 for each subsequent violation.

21 *SEC. 53. Section 7597.2 of the Business and Professions Code*
22 *is amended to read:*

23 7597.2. ~~No~~ *(a)* A licensee, qualified manager, branch office
24 manager, or alarm agent shall *not* carry any inoperable, replica, or
25 other simulated firearm.

26 ~~A~~

27 *(b)* A violation of this section shall result in a fine of ~~twenty-five~~
28 ~~dollars (\$25)~~ *one hundred dollars (\$100)* for the first violation and
29 a fine of ~~one hundred dollars (\$100)~~ *two hundred fifty dollars*
30 *(\$250)* for each subsequent violation.

31 *SEC. 54. Section 7597.3 of the Business and Professions Code*
32 *is amended to read:*

33 7597.3. *(a)* No licensee, qualified manager, branch office
34 manager, or alarm agent shall use a firearm which is in violation
35 of law, or in knowing violation of the standards for carrying and
36 usage of firearms, as taught in the course of training in the carrying
37 and use of firearms, including, but not limited to:

38 ~~(a)~~

39 *(1)* Illegally using, carrying, or possessing a dangerous weapon.

40 ~~(b)~~

- 1 (2) Brandishing a weapon.
- 2 ~~(e)~~
- 3 (3) Drawing a weapon without proper cause.
- 4 ~~(d)~~
- 5 (4) Provoking a shooting incident without cause.
- 6 ~~(e)~~
- 7 (5) Carrying or using a firearm while on duty under the influence
- 8 of alcohol or dangerous drugs.
- 9 ~~(f)~~
- 10 (6) Carrying or using a firearm of a caliber for which a bureau
- 11 firearms permit has not been issued.
- 12 (7) *Carrying or using a firearm while performing duties not*
- 13 *related to the qualifying license, certificate, or registration to*
- 14 *which the bureau associated the firearms permit.*

15 ~~A~~

16 (b) A fine of one ~~hundred dollars (\$100)~~ *thousand dollars*

17 *(\$1,000) and a suspension of the firearms permit for six months*

18 *may be assessed for the first violation of this section and a fine of*

19 *five hundred dollars (\$500) for each one thousand dollars (\$1,000)*

20 *and a suspension of the firearms permit for not more than one year*

21 *for a subsequent violation.*

22 *SEC. 55. Section 7597.5 of the Business and Professions Code*

23 *is amended to read:*

24 7597.5. ~~No~~-(a) A licensee, qualified manager, branch office

25 manager, or alarm agent shall *not* carry or use tear gas or any other

26 nonlethal chemical agent in the performance of his or her duties,

27 unless he or she has in his or her possession proof of completion

28 of a course in the carrying and use of tear gas or other nonlethal

29 chemical agent.

30 ~~A~~

31 (b) A fine of ~~twenty-five dollars (\$25)~~ *one hundred dollars*

32 *(\$100) may be assessed for the first violation of this section and*

33 *a fine of one hundred dollars (\$100) two hundred fifty (\$250) for*

34 *each subsequent violation.*

35 *SEC. 56. Section 7597.6 of the Business and Professions Code*

36 *is amended to read:*

37 7597.6. (a) ~~No~~-A licensee, qualified manager, branch office

38 manager, or alarm agent shall *not* carry a pistol, revolver, or other

39 firearm capable of being concealed upon the person in a concealed

40 manner unless one of the following circumstances apply:

1 (1) The person has been issued a permit to carry that firearm in
2 a concealed manner by a local law enforcement agency pursuant
3 to Section 26150, 26155, 26170, or 26215 of the Penal Code.

4 (2) The person is an honorably retired peace officer authorized
5 to carry a concealed firearm pursuant to Section 25650 of the Penal
6 Code or Article 2 (commencing with Section 25450) of Chapter
7 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

8 (3) The person is a duly appointed peace officer, as defined in
9 Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2
10 of the Penal Code, who is authorized to carry a concealed firearm
11 in the course and scope of his or her employment pursuant to
12 Article 2 (commencing with Section 25450) of Chapter 2 of
13 Division 5 of Title 4 of Part 6 of the Penal Code.

14 (b) A fine of ~~five hundred dollars (\$500)~~ *one thousand dollars*
15 *(\$1,000)* may be assessed for each violation of subdivision (a).

16 *SEC. 57. Section 7598.51 of the Business and Professions Code*
17 *is amended to read:*

18 7598.51. (a) An alarm agent shall carry on his or her person,
19 while on duty, either a valid and current registration card or a
20 temporary application for registration.

21 ~~A~~

22 (b) A fine of ~~ten dollars (\$10)~~ *one hundred fifty dollars (\$150)*
23 *may be assessed for the first violation of this section and a fine of*
24 *twenty-five dollars (\$25) for each subsequent violation. each*
25 *violation of subdivision (a).*

26 *SEC. 58. Section 7598.53 of the Business and Professions Code*
27 *is amended to read:*

28 7598.53. An alarm agent who responds to an alarm system
29 shall wear a prominently displayed patch or other designation
30 which clearly identifies the name of the licensee. An alarm agent
31 who carries a deadly weapon while responding to an alarm system
32 shall wear a recognizable uniform with a prominently displayed
33 patch or other designation which clearly identifies the name of the
34 licensee. The uniform must be distinguishable from the uniforms
35 worn by local regular law enforcement officers. A violation of this
36 section may result in a fine of ~~twenty-five dollars (\$25)~~ *two*
37 *hundred fifty dollars (\$250)* for each violation.

38 *SEC. 59. Section 7599.32 of the Business and Professions*
39 *Code, as amended by Section 13 of Chapter 140 of the Statutes of*
40 *2015, is amended to read:*

1 7599.32. (a) A licensee shall notify the bureau within 30 days
 2 of any change of its officers or members required to be named
 3 pursuant to Section 7593.4 or 7593.5 and of any addition of a new
 4 partner.

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

11 (c) A notice of warning may be issued for the first violation of
 12 this section and a fine of ~~twenty-five dollars (\$25)~~ *five hundred*
 13 *dollars (\$500)* for each subsequent violation.

14 (d) This section shall remain in effect only until January 1, 2019,
 15 and as of that date is ~~repealed, unless a later enacted statute, that~~
 16 ~~is enacted before January 1, 2019, deletes or extends that date.~~
 17 *repealed.*

18 *SEC. 60. Section 7599.32 of the Business and Professions*
 19 *Code, as amended by Section 14 of Chapter 140 of the Statutes of*
 20 *2015, is amended to read:*

21 7599.32. (a) A licensee shall notify the bureau within 30 days
 22 of any change of its officers required to be named pursuant to
 23 Section 7593.4 and of any addition of a new partner.

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

30 (c) A notice of warning may be issued for the first violation of
 31 this section and a fine of ~~twenty-five dollars (\$25)~~ *five hundred*
 32 *dollars (\$500)* for each subsequent violation.

33 (d) This section shall become operative on January 1, 2019.

34 *SEC. 61. Section 7599.33 of the Business and Professions Code*
 35 *is amended to read:*

36 7599.33. ~~No~~ A licensee shall *not* conduct ~~business~~ *business*,
 37 as defined in Section ~~7599.20~~ 7599.20, from any location other
 38 than that location for which a license or branch office registration
 39 was issued. A violation of this section may result in a fine of
 40 ~~twenty-five dollars (\$25) for each~~ *five hundred dollars (\$500) for*

1 *the first violation of this section and a fine of one thousand dollars*
2 *(\$1,000) for each subsequent violation.*

3 *SEC. 62. Section 7599.34 of the Business and Professions*
4 *Code, as amended by Section 15 of Chapter 140 of the Statutes of*
5 *2015, is amended to read:*

6 7599.34. (a) ~~No~~A licensee shall *not* conduct a business as an
7 individual, partnership, limited liability company, or corporation
8 unless the licensee holds a valid license issued to that exact same
9 individual, partnership, limited liability company, or corporation.
10 A violation of this section may result in a fine of ~~one hundred~~
11 ~~dollars (\$100)~~ *five hundred dollars (\$500)* for each violation.

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

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

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

25 (2) For a limited liability company licensee with more than five
26 persons named as managing members pursuant to Section 7593.5
27 or 7599.32, an additional one hundred thousand dollars (\$100,000)
28 of insurance shall be obtained for each person named as managing
29 members of the licensee except that the maximum amount of
30 insurance is not required to exceed five million dollars (\$5,000,000)
31 in any one designated period, less amounts paid in defending,
32 settling, or discharging claims as set forth under this section.

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

39 (e) For any insurance policy secured by a licensee in satisfaction
40 of this section, a Certificate of Liability Insurance, signed by an

1 authorized agent or employee of the insurer, shall be submitted
 2 electronically or otherwise to the bureau. The insurer issuing the
 3 certificate shall report to the bureau the following information for
 4 any policy required under this section: name, license number,
 5 policy number, dates that coverage is scheduled to commence and
 6 lapse, the date and amount of any payment of claims, and
 7 cancellation date if applicable. *The insurer shall list the bureau*
 8 *as the certificate holder for the purposes of receiving notifications*
 9 *related to the policy's status.*

10 (f) (1) If a licensee fails to maintain sufficient insurance as
 11 required by this section, *or fails to provide proof of the required*
 12 *insurance upon request by the bureau*, the license is subject to
 13 ~~suspension~~. *suspension and is automatically suspended pursuant*
 14 *to this subdivision until the date that the licensee provides proof*
 15 *to the bureau of compliance with the insurance coverage*
 16 *requirement.*

17 (2) *Prior to an automatic suspension, the bureau shall notify*
 18 *the licensee, in writing, that the licensee has 30 days to provide*
 19 *proof to the bureau of having the required insurance or the license*
 20 *shall be automatically suspended.*

21 (3) *If the licensee fails to provide proof of insurance coverage*
 22 *within the period described in paragraph (2), the bureau may*
 23 *automatically suspend the license.*

24 (g) Where the license of a limited liability company is suspended
 25 pursuant to subdivision (f), each member of the limited liability
 26 company shall be personally liable up to one million dollars
 27 (\$1,000,000) each for damages resulting to third parties in
 28 connection with the company's performance, during the period of
 29 suspension, of any act or contract where a license is required by
 30 this chapter.

31 (h) This section shall remain in effect only until January 1, 2019,
 32 and as of that date is ~~repealed, unless a later enacted statute, that~~
 33 ~~is enacted before January 1, 2019, deletes or extends that date.~~
 34 *repealed.*

35 *SEC. 63. Section 7599.34 of the Business and Professions*
 36 *Code, as amended by Section 16 of Chapter 140 of the Statutes of*
 37 *2015, is amended to read:*

38 7599.34. (a) ~~No~~A licensee shall *not* conduct a business as an
 39 individual, partnership, or corporation unless the licensee holds a
 40 valid license issued to that exact same individual, partnership, or

1 corporation. A violation of this section may result in a fine of ~~one~~
2 ~~hundred dollars (\$100)~~ *five hundred dollars (\$500)* for each
3 violation.

4 (b) This section shall become operative on January 1, 2019.

5 *SEC. 64. Section 7599.36 of the Business and Professions Code*
6 *is amended to read:*

7 7599.36. (a) Each licensee shall maintain a file or record
8 containing the name, address, commencing date of employment,
9 and position of each employee, and the date of termination. Those
10 files and records shall be retained during the time of employment
11 and for a period of not less than two years thereafter, and, together
12 with usual payroll records, shall be available for inspection by the
13 bureau, and copies thereof and information pertaining thereto or
14 contained therein shall be submitted to the bureau upon written
15 request. A violation concerning the maintenance of the files or
16 records may result in a fine of ~~twenty-five dollars (\$25)~~ *two*
17 *hundred fifty dollars (\$250)* for each violation.

18 ~~A~~

19 (b) A failure of a licensee to respond to the bureau's request to
20 forward copies of the files or records and information pertaining
21 thereto or contained therein within 30 days of the bureau's request
22 may result in a fine of ~~twenty-five dollars (\$25) and ten dollars~~
23 ~~(\$10) for each additional day that elapses following the 30th day.~~
24 *two hundred fifty dollars (\$250) for each violation.*

25 *SEC. 65. Section 7599.37 of the Business and Professions Code*
26 *is amended to read:*

27 7599.37. Each licensee shall maintain an accurate and current
28 record of proof of completion of the course of training in the
29 exercise of the power to arrest as required by Section 7598.1, by
30 each of his or her employees. A violation of this section may result
31 in a fine of ~~twenty-five dollars (\$25)~~ *five hundred dollars (\$500)*
32 for each violation.

33 *SEC. 66. Section 7599.38 of the Business and Professions Code*
34 *is amended to read:*

35 7599.38. Each licensee shall certify an employee's completion
36 of the course of training in the exercise of power to arrest, or obtain
37 proof that the training has been administered by a bureau-approved
38 training facility, prior to allowing the employee to respond to an
39 alarm system as required by Section 7598.1. A violation of this

1 section may result in a fine of ~~one hundred dollars (\$100)~~ *five*
2 *hundred dollars (\$500)* for each violation.

3 *SEC. 67. Section 7599.40 of the Business and Professions Code*
4 *is amended to read:*

5 7599.40. ~~No~~A licensee shall *not* allow any employee to carry
6 a firearm or other deadly weapon without first ascertaining that
7 the employee is proficient in the use of each weapon to be carried.
8 A current and valid firearm qualification card which indicates the
9 specific caliber of the firearm which may be carried shall be
10 deemed evidence of proficiency. A firearm qualification permit is
11 not valid unless the employee holds a valid, current registration
12 card. With respect to other deadly weapons, evidence of proficiency
13 shall include a certificate from a training facility, certifying that
14 the employee is proficient in the use of that particular deadly
15 weapon. A violation of this section may result in a fine of two
16 ~~hundred fifty dollars (\$250)~~ *thousand five hundred dollars (\$2,500)*
17 for each violation.

18 *SEC. 68. Section 7599.41 of the Business and Professions Code*
19 *is amended to read:*

20 7599.41. A licensee shall maintain an accurate and current
21 record of all firearms or other deadly weapons that are in the
22 possession of the licensee, or of any employee of the licensee,
23 while on duty. The record shall contain the make, model, and serial
24 number, or a description of any other deadly weapon, and the name
25 of the person who has title of ownership. A violation of this section
26 may result in a fine of ~~twenty-five dollars (\$25)~~ *five hundred*
27 *dollars (\$500)* for each violation.

28 *SEC. 69. Section 7599.42 of the Business and Professions*
29 *Code, as amended by Section 17 of Chapter 140 of the Statutes of*
30 *2015, is amended to read:*

31 7599.42. (a) Within seven days after any violent incident
32 involving a dangerous weapon that has been caused by or occurred
33 upon a licensee or any officer, partner, managing member, qualified
34 manager, or employee of a licensee, while acting within the course
35 and scope of his or her employment, and that results in bodily
36 injury to any person or death of any person involved in that incident
37 or of any discharge of a weapon, excluding any discharge which
38 occurs on the range, the licensee or his or her manager shall mail
39 or deliver to the chief a detailed report of the incident. The report
40 shall describe fully the circumstances surrounding the incident,

1 any injuries or damages incurred, the identity of all participants,
2 and whether a police investigation was conducted. A violation of
3 this section *by a licensee or any officer, partner, managing*
4 *member, or qualified manager* may result in a fine of ~~twenty-five~~
5 ~~dollars (\$25)~~ *one thousand dollars (\$1,000)* for the first violation
6 and ~~one hundred dollars (\$100)~~ *two thousand dollars (\$2,000)* for
7 each subsequent violation. *A violation of this section by an*
8 *employee of a licensee may result in a fine of five hundred dollars*
9 *(\$500) for each violation.*

10 (b) This section shall remain in effect only until January 1, 2019,
11 and as of that date is ~~repealed, unless a later enacted statute, that~~
12 ~~is enacted before January 1, 2019, deletes or extends that date.~~
13 *repealed.*

14 *SEC. 70. Section 7599.42 of the Business and Professions*
15 *Code, as amended by Section 18 of Chapter 140 of the Statutes of*
16 *2015, is amended to read:*

17 7599.42. (a) Within seven days after any violent incident
18 involving a dangerous weapon, that has been caused by or occurred
19 upon a licensee or any officer, partner, qualified manager, or
20 employee of a licensee, while acting within the course and scope
21 of his or her employment, and that results in bodily injury to any
22 person or death of any person involved in that incident or of any
23 discharge of a weapon, excluding any discharge which occurs on
24 the range, the licensee or his or her manager shall mail or deliver
25 to the chief a detailed report of the incident. The report shall
26 describe fully the circumstances surrounding the incident, any
27 injuries or damages incurred, the identity of all participants, and
28 whether a police investigation was conducted. A violation of this
29 section *by a licensee or any officer, partner, or qualified manager*
30 may result in a fine of ~~twenty-five dollars (\$25)~~ *one thousand*
31 *dollars (\$1,000)* for the first violation and ~~one hundred dollars~~
32 ~~(\$100)~~ *two thousand five hundred (\$2,500)* for each subsequent
33 violation. *A violation of this section by an employee of a licensee*
34 *may result in a fine of five hundred dollars (\$500) for each*
35 *violation.*

36 (b) This section shall become operative on January 1, 2019.

37 *SEC. 71. Section 7599.44 of the Business and Professions Code*
38 *is amended to read:*

39 7599.44. Every advertisement by a licensee soliciting or
40 advertising business shall contain his or her name and license

1 number as they appear in the records of the bureau. A violation of
2 this section may result in a ~~Notice of Warning~~ *fine of five hundred*
3 *dollars (\$500) for the first violation, and a fine of twenty-five*
4 ~~dollars (\$25) violation and one thousand dollars (\$1,000) for each~~
5 subsequent violation.

6 *SEC. 72. Section 7599.45 of the Business and Professions Code*
7 *is amended to read:*

8 7599.45. ~~No~~ *A licensee or employee of a licensee shall not*
9 *enter any private building or portion thereof, excepting premises*
10 *open to the public, without the consent of the owner or the person*
11 *in legal possession thereof. A violation of this section may result*
12 *in a fine of twenty-five dollars (\$25) for the first violation and one*
13 *hundred dollars (\$100) for each subsequent violation.*

14 *SEC. 73. Section 7599.54 of the Business and Professions Code*
15 *is amended to read:*

16 7599.54. (a) Except as provided by Section 7599.56, every
17 agreement, including, but not limited to, lease agreements,
18 monitoring agreements, and service agreements, including all
19 labor, services, and materials to be provided for the installation of
20 an alarm system, shall be in writing. Except as provided by Section
21 7599.56, all amendments subject to the provisions of this section
22 to an initial agreement shall be in writing. Each initial agreement
23 shall contain, but not be limited to, the following:

24 (a)
25 (1) The name, business address, business telephone number,
26 and license number of the licensed alarm company operator and
27 the registration number of any alarm agent who solicited or
28 negotiated the agreement.

29 (b)
30 (2) The approximate dates when the work will begin and be
31 substantially completed.

32 (c)
33 (3) A description of the work to be done, a description of the
34 materials to be used, and the agreed consideration for the work.

35 (d)
36 (4) A disclosure that alarm company operators are licensed and
37 regulated by the Bureau of Security and Investigative Services,
38 Department of Consumer Affairs, ~~Sacramento, CA, 95814.~~
39 *including the bureau's current address and contact information.*

40 (e)

1 (5) A description of the alarm system including the major
2 components thereof and services to be provided to the purchaser
3 once the alarm is installed, including response or monitoring
4 services, if any.

5 ~~(f)~~

6 (6) Other matters agreed to by the parties of the contract. The
7 agreement shall be legible and shall be in a form as to clearly
8 describe any other document which is to be incorporated into the
9 contract, and, before any work is done, the client shall be furnished
10 with a copy of the written agreement signed by the licensee.

11 ~~(g)~~

12 (7) A statement setting forth that upon completion of the
13 installation of the alarm system, the alarm company shall
14 thoroughly instruct the purchaser in the proper use of the alarm
15 system.

16 ~~(h)~~

17 (8) In the event a mechanic's lien is to be utilized, a
18 notice-to-owner statement which shall describe, in nontechnical
19 language and in a clear and coherent manner using words with
20 common and everyday meaning, the pertinent provisions of this
21 state's mechanics' lien laws and the rights and responsibilities of
22 an owner of property and a contractor thereunder, including the
23 provisions relating to the filing of a contract concerning a work of
24 improvement with the county recorder and the recording in the
25 office of a contractor's payment bond for private work.

26 (9) *For agreements entered into on or after January 1, 2017,*
27 *that include an automatic renewal provision renewing the*
28 *agreement for a period of more than one month, a clear and*
29 *distinct disclosure shall be included separate from the terms and*
30 *conditions of the agreement advising the consumer that the*
31 *agreement he or she is entering into contains an automatic renewal*
32 *provision. The disclosure shall include the length of time of the*
33 *renewal term and specify that failure to provide notification of*
34 *nonrenewal to the licensee, as required in the agreement, will*
35 *result in the automatic renewal of the agreement. The consumer*
36 *shall acknowledge being advised of the automatic renewal*
37 *provision by signing or initialing the disclosure. The disclosure*
38 *may be included on the same document as the three-day right to*
39 *cancel form required by Section 1689.7 of the Civil Code. The*

1 *automatic renewal provision shall be void and invalid without a*
2 *separate acknowledgment of the disclosure by the consumer.*

3 (i)

4 (10) In addition to the above, every initial residential sales and
5 lease agreement, the total cost which over the time period fixed
6 by the agreement exceeds two hundred fifty dollars (\$250),
7 including the cost of all labor, service, or material to be provided
8 by the licensee for the installation, shall include, but not be limited
9 to, the following:

10 (1)

11 (A) A schedule of payments showing the amount of each
12 payment as a sum in dollars and cents. This schedule of payments
13 shall be referenced to the amount of work for services to be
14 performed or to any materials or equipment to be supplied.

15 (2)

16 (B) If the payment schedule contained in the agreement provides
17 for a ~~down payment~~ *downpayment* to be paid to the licensee by
18 the owner or the tenant before commencement of the work, that
19 ~~down payment~~ *downpayment* shall not exceed one thousand dollars
20 (\$1,000) or 10 percent of the contract price, excluding finance
21 charges, whichever is the lesser.

22 (3)

23 (C) In no event shall the payment schedule provide that the
24 licensee receive, nor shall the licensee actually receive, payment
25 in excess of 100 percent of the value of the work performed on
26 the project at any time, excluding finance charges, except that the
27 licensee may receive an initial ~~down payment~~ *downpayment*
28 authorized by paragraph (2). A failure by the licensee, without
29 legal excuse, to substantially commence work within 20 days of
30 the approximate date specified in the contract when work is to
31 commence, shall postpone the next succeeding payment to the
32 licensee for that period of time equivalent to the time between
33 when substantial commencement was to have occurred and when
34 it did occur.

35 (4)

36 (D) A notice-to-owner statement which shall describe, in
37 nontechnical language and in a clear and coherent manner using
38 words with common and everyday meaning, the pertinent
39 provisions of this state’s mechanics’ lien laws and the rights and
40 responsibilities of an owner of property and a contractor thereunder,

1 including the provisions relating to the filing of a contract
2 concerning a work of improvement with the county recorder and
3 the recording in the office of a contractor’s payment bond for
4 private work.

5 ~~(5)~~

6 (E) A description of what constitutes substantial commencement
7 of work pursuant to the contract.

8 ~~(6)~~

9 (F) A disclosure that failure by the licensee, without legal
10 excuse, to substantially commence work within 20 days from the
11 approximate date specified in the agreement when the work will
12 begin is a violation of the Alarm Company Act.

13 ~~(7)~~

14 (G) A disclosure informing the buyer of any potential permit
15 fees which may be required by local jurisdictions concerning the
16 monitoring of an existing alarm system.

17 ~~(8)~~

18 (H) This section shall not be construed to prohibit the parties
19 to a residential alarm system sale contract from agreeing to a
20 contract or account subject to Chapter 1 (commencing with Section
21 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

22 ~~A~~

23 (b) A violation of this section or failure to commence work
24 pursuant to *subparagraph (F) of paragraph ~~(6)~~ (10)* of subdivision
25 ~~(h)~~ (a) may result in a fine of one hundred dollars (\$100) for the
26 first violation and a ~~five hundred dollar (\$500)~~ fine of *five hundred*
27 *dollars (\$500)* for each subsequent violation.

28 *SEC. 74. Section 7599.59 of the Business and Professions Code*
29 *is amended to read:*

30 7599.59. The director may assess administrative fines of *fifty*
31 *dollars (\$50)* against any licensee, qualified certificate holder,
32 firearms qualification card holder, or registrant for *each violation*
33 *for failure to notify the bureau within 30 days of any change of*
34 *residence or business address.*

35 ~~(a) The fine shall be twenty-five dollars (\$25) for each violation~~
36 ~~by a licensee or qualified certificate holder.~~

37 ~~(b) The fine shall be fifteen dollars (\$15) for each violation by~~
38 ~~a firearms qualification card holder or registrant.~~

1 SEC. 75. Article 15 (commencing with Section 7599.80) is
2 added to Chapter 11.6 of Division 3 of the Business and
3 Professions Code, to read:

4

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Article 15. Review

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7599.80. Notwithstanding any other law, the powers and duties
of the bureau, as set forth in this chapter, shall be subject to review
by the appropriate policy committees of the Legislature. The review
shall be performed as if this chapter were scheduled to be repealed
as of January 1, 2020.

~~SECTION 1.~~

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SEC. 76. Section 10050 of the Business and Professions Code
is amended to read:

10050. (a) (1) There is in the Department of Consumer Affairs
a Bureau of Real Estate, the chief officer of which bureau is named
the Real Estate Commissioner.

(2) Notwithstanding any other law, the powers and duties of the
bureau, as set forth in this part and Chapter 1 (commencing with
Section 11000) of Part 2, shall be subject to review by the
appropriate policy committees of the Legislature. The review shall
be performed as if this part and that chapter were scheduled to be
repealed as of January 1, 2021.

(b) It shall be the principal responsibility of the commissioner
to enforce all laws in this part and Chapter 1 (commencing with
Section 11000) of Part 2 in a manner that achieves the maximum
protection for the purchasers of real property and those persons
dealing with real estate licensees.

(c) Wherever the term “commissioner” is used in this division,
it means the Real Estate Commissioner.

~~SEC. 2.~~

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SEC. 77. Section 10177 of the Business and Professions Code
is amended to read:

10177. The commissioner may suspend or revoke the license
of a real estate licensee, delay the renewal of a license of a real
estate licensee, or deny the issuance of a license to an applicant,
who has done any of the following, or may suspend or revoke the
license of a corporation, delay the renewal of a license of a
corporation, or deny the issuance of a license to a corporation, if

1 an officer, director, or person owning or controlling 10 percent or
2 more of the corporation's stock has done any of the following:

3 (a) Procured, or attempted to procure, a real estate license or
4 license renewal, for himself or herself or a salesperson, by fraud,
5 misrepresentation, or deceit, or by making a material misstatement
6 of fact in an application for a real estate license, license renewal,
7 or reinstatement.

8 (b) (1) Entered a plea of guilty or nolo contendere to, or been
9 found guilty of, or been convicted of, a felony, or a crime
10 substantially related to the qualifications, functions, or duties of a
11 real estate licensee, and the time for appeal has elapsed or the
12 judgment of conviction has been affirmed on appeal, irrespective
13 of an order granting probation following that conviction,
14 suspending the imposition of sentence, or of a subsequent order
15 under Section 1203.4 of the Penal Code allowing that licensee to
16 withdraw his or her plea of guilty and to enter a plea of not guilty,
17 or dismissing the accusation or information.

18 (2) Notwithstanding paragraph (1), and with the recognition
19 that sentencing may not occur for months or years following the
20 entry of a guilty plea, ~~the commissioner may suspend the license~~
21 ~~of a real estate licensee upon the entry by the licensee of a guilty~~
22 ~~plea to any of the crimes described in paragraph (1).~~ *upon receipt*
23 *of the certified copy of the entered plea, if after a hearing*
24 *conducted pursuant to Section 10100 before an administrative law*
25 *judge from the Office of Administrative Hearings, it is determined*
26 *that the licensee has entered a guilty plea to a felony or crime*
27 *substantially related to the qualifications, functions, or duties of*
28 *a real estate licensee, the commissioner may suspend the license*
29 *or endorsement of the bureau until the time for appeal has elapsed,*
30 *if no appeal has been taken, or until the judgment of conviction*
31 *has been affirmed on appeal or has otherwise become final, and*
32 *until further order of the bureau.* If the guilty plea is withdrawn,
33 the suspension shall be rescinded and the license reinstated to its
34 status prior to the suspension. ~~The bureau shall notify a person~~
35 ~~whose license is subject to suspension pursuant to this paragraph~~
36 ~~of his or her right to elect to have the issue of the suspension heard~~
37 ~~in accordance with Section 10100.~~

38 (c) Knowingly authorized, directed, connived at, or aided in the
39 publication, advertisement, distribution, or circulation of a material
40 false statement or representation concerning his or her designation

1 or certification of special education, credential, trade organization
2 membership, or business, or concerning a business opportunity or
3 a land or subdivision, as defined in Chapter 1 (commencing with
4 Section 11000) of Part 2, offered for sale.

5 (d) Willfully disregarded or violated the Real Estate Law (Part
6 1 (commencing with Section 10000)) or Chapter 1 (commencing
7 with Section 11000) of Part 2 or the rules and regulations of the
8 commissioner for the administration and enforcement of the Real
9 Estate Law and Chapter 1 (commencing with Section 11000) of
10 Part 2.

11 (e) Willfully used the term “realtor” or a trade name or insignia
12 of membership in a real estate organization of which the licensee
13 is not a member.

14 (f) Acted or conducted himself or herself in a manner that would
15 have warranted the denial of his or her application for a real estate
16 license, or either had a license denied or had a license issued by
17 another agency of this state, another state, or the federal
18 government revoked or suspended for acts that, if done by a real
19 estate licensee, would be grounds for the suspension or revocation
20 of a California real estate license, if the action of denial, revocation,
21 or suspension by the other agency or entity was taken only after
22 giving the licensee or applicant fair notice of the charges, an
23 opportunity for a hearing, and other due process protections
24 comparable to the Administrative Procedure Act (Chapter 3.5
25 (commencing with Section 11340), Chapter 4 (commencing with
26 Section 11370), and Chapter 5 (commencing with Section 11500)
27 of Part 1 of Division 3 of Title 2 of the Government Code), and
28 only upon an express finding of a violation of law by the agency
29 or entity.

30 (g) Demonstrated negligence or incompetence in performing
31 an act for which he or she is required to hold a license.

32 (h) As a broker licensee, failed to exercise reasonable
33 supervision over the activities of his or her salespersons, or, as the
34 officer designated by a corporate broker licensee, failed to exercise
35 reasonable supervision and control of the activities of the
36 corporation for which a real estate license is required.

37 (i) Used his or her employment by a governmental agency in a
38 capacity giving access to records, other than public records, in a
39 manner that violates the confidential nature of the records.

1 (j) Engaged in any other conduct, whether of the same or a
2 different character than specified in this section, that constitutes
3 fraud or dishonest dealing.

4 (k) Violated any of the terms, conditions, restrictions, and
5 limitations contained in an order granting a restricted license.

6 (l) (1) Solicited or induced the sale, lease, or listing for sale or
7 lease of residential property on the ground, wholly or in part, of
8 loss of value, increase in crime, or decline of the quality of the
9 schools due to the present or prospective entry into the
10 neighborhood of a person or persons having a characteristic listed
11 in subdivision (a) or (d) of Section 12955 of the Government Code,
12 as those characteristics are defined in Sections 12926 and 12926.1,
13 subdivision (m) and paragraph (1) of subdivision (p) of Section
14 12955, and Section 12955.2 of the Government Code.

15 (2) Notwithstanding paragraph (1), with respect to familial
16 status, paragraph (1) shall not be construed to apply to housing for
17 older persons, as defined in Section 12955.9 of the Government
18 Code. With respect to familial status, nothing in paragraph (1)
19 shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11,
20 and 799.5 of the Civil Code, relating to housing for senior citizens.
21 Subdivision (d) of Section 51 and Section 4760 of the Civil Code
22 and subdivisions (n), (o), and (p) of Section 12955 of the
23 Government Code shall apply to paragraph (1).

24 (m) Violated the Franchise Investment Law (Division 5
25 (commencing with Section 31000) of Title 4 of the Corporations
26 Code) or regulations of the Commissioner of Corporations
27 pertaining thereto.

28 (n) Violated the Corporate Securities Law of 1968 (Division 1
29 (commencing with Section 25000) of Title 4 of the Corporations
30 Code) or the regulations of the Commissioner of Corporations
31 pertaining thereto.

32 (o) Failed to disclose to the buyer of real property, in a
33 transaction in which the licensee is an agent for the buyer, the
34 nature and extent of a licensee's direct or indirect ownership
35 interest in that real property. The direct or indirect ownership
36 interest in the property by a person related to the licensee by blood
37 or marriage, by an entity in which the licensee has an ownership
38 interest, or by any other person with whom the licensee has a
39 special relationship shall be disclosed to the buyer.

40 (p) Violated Article 6 (commencing with Section 10237).

1 (q) Violated or failed to comply with Chapter 2 (commencing
2 with Section 2920) of Title 14 of Part 4 of Division 3 of the Civil
3 Code, related to mortgages.

4 If a real estate broker that is a corporation has not done any of
5 the foregoing acts, either directly or through its employees, agents,
6 officers, directors, or persons owning or controlling 10 percent or
7 more of the corporation's stock, the commissioner may not deny
8 the issuance or delay the renewal of a real estate license to, or
9 suspend or revoke the real estate license of, the corporation,
10 provided that any offending officer, director, or stockholder, who
11 has done any of the foregoing acts individually and not on behalf
12 of the corporation, has been completely disassociated from any
13 affiliation or ownership in the corporation. A decision by the
14 commissioner to delay the renewal of a real estate license shall
15 toll the expiration of that license until the results of any pending
16 disciplinary actions against that licensee are final, or until the
17 licensee voluntarily surrenders his, her, or its license, whichever
18 is earlier.

19 ~~SEC. 3.~~

20 *SEC. 78.* Section 11301 of the Business and Professions Code
21 is amended to read:

22 11301. (a) (1) There is hereby created within the Department
23 of Consumer Affairs a Bureau of Real Estate Appraisers to
24 administer and enforce this part.

25 (2) Notwithstanding any other law, the powers and duties of the
26 bureau, as set forth in this part, shall be subject to review by the
27 appropriate policy committees of the Legislature. The review shall
28 be performed as if this part were scheduled to be repealed as of
29 January 1, 2021.

30 (b) Whenever the term "Office of Real Estate Appraisers"
31 appears in any other law, it means the "Bureau of Real Estate
32 Appraisers."

33 ~~SEC. 4.~~

34 *SEC. 79.* Section 11320 of the Business and Professions Code
35 is amended to read:

36 11320. No person shall engage in federally related real estate
37 appraisal activity governed by this part or assume or use the title
38 of or any title designation or abbreviation as a licensed appraiser
39 in this state without an active license as defined in Section 11302.
40 Any person who willfully violates this provision is guilty of a

1 public offense punishable by imprisonment pursuant to subdivision
2 (h) of Section 1170 of the Penal Code, or in a county jail for not
3 more than one year, or by a fine not exceeding ten thousand dollars
4 (\$10,000), or by both the imprisonment and fine. The possession
5 of a license issued pursuant to this part does not preempt the
6 application of other statutes including the requirement for
7 specialized training or licensure pursuant to Article 3 (commencing
8 with Section 750) of Chapter 2.5 of Division 1 of the Public
9 Resources Code.

10 ~~SEC. 5.~~

11 *SEC. 80.* Section 11328 of the Business and Professions Code
12 is amended to read:

13 11328. To substantiate documentation of appraisal experience,
14 or to facilitate the investigation of illegal or unethical activities by
15 a licensee, applicant, or other person acting in a capacity that
16 requires a license, that licensee, applicant, or person shall, upon
17 the request of the director, submit copies of the engagement letters,
18 appraisals, or any work product which is addressed by the Uniform
19 Standards of Professional Appraisal Practice, and all supporting
20 documentation and data to the office. This material shall be
21 confidential in accordance with the confidentiality provisions of
22 the Uniform Standards of Professional Appraisal Practice.

23 ~~SEC. 6.~~

24 *SEC. 81.* Section 11340 of the Business and Professions Code
25 is amended to read:

26 11340. The director shall adopt regulations governing the
27 process and the procedure of applying for a license which shall
28 include, but not be limited to, necessary experience or education,
29 equivalency, and minimum requirements of the Appraisal
30 Foundation, if any.

31 (a) For purposes of the educational background requirements
32 established under this section, the director shall do both of the
33 following:

34 (1) Grant credits for any courses taken on real estate appraisal
35 ethics or practices pursuant to Section 10153.2, or which are
36 deemed by the director to meet standards established pursuant to
37 this part and federal law.

38 (2) Require the completion of a course on state and federal laws
39 regulating the appraisal profession, as approved by the bureau
40 every two years. The course shall include an examination that

1 requires an applicant to demonstrate the applicant’s knowledge of
2 those laws.

3 (b) For the purpose of implementing and applying this section,
4 the director shall prescribe by regulation “equivalent courses” and
5 “equivalent experience.” The experience of employees of an
6 assessor’s office or of the State Board of Equalization in setting
7 forth opinions of value of real property for tax purposes shall be
8 deemed equivalent to experience in federally related real estate
9 appraisal activity. Notwithstanding any other law, a holder of a
10 valid real estate broker license shall be deemed to have completed
11 appraisal license application experience requirements upon proof
12 that he or she has accumulated 1,000 hours of experience in the
13 valuation of real property.

14 (c) The director shall adopt regulations for licensure which shall
15 meet, at a minimum, the requirements and standards established
16 by the Appraisal Foundation and the federal financial institutions
17 regulatory agencies acting pursuant to Section 1112 of the Financial
18 Institutions Reform Recovery and Enforcement Act of 1989
19 (FIRREA) (Public Law 101-73). The director shall, by regulation,
20 require the application for a real estate appraiser license to include
21 the applicant’s social security number or individual taxpayer
22 identification number.

23 (d) In evaluating the experience of any applicant for a license,
24 regardless of the number of hours required of that applicant, the
25 director shall apply the same standards to the experience of all
26 applicants.

27 (e) No license shall be issued to an applicant who is less than
28 18 years of age.

29 ~~SEC. 7.~~

30 *SEC. 82.* No reimbursement is required by this act pursuant to
31 Section 6 of Article XIII B of the California Constitution because
32 the only costs that may be incurred by a local agency or school
33 district will be incurred because this act creates a new crime or
34 infraction, eliminates a crime or infraction, or changes the penalty
35 for a crime or infraction, within the meaning of Section 17556 of
36 the Government Code, or changes the definition of a crime within
37 the meaning of Section 6 of Article XIII B of the California
38 Constitution.

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