

AMENDED IN ASSEMBLY AUGUST 19, 2016

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 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, 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 professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, as amended, Hill. Professions and vocations: Bureau of Real Estate, Bureau of Real Estate 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, repossessionors, 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 the 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, that act,~~ 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~~ *That act requires a person required to be registered as a security guard to carry a valid and current security guard registration card on his or*

her person, while on duty, and also requires a person registered as a security guard 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. *The bill would authorize a person required to be registered as a security guard, while pending receipt of the security guard registration card after the bureau's approval, to be on duty if the person carries on his or her person both a hardcopy printout of the approved security guard registration information from the bureau's Internet Web site and a valid picture identification.*

(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 applicant has filed with the bureau a classifiable fingerprint card and 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. Existing law prohibits a person required to be registered as a security guard from carrying or using a firearm unless he or she possesses a valid and current firearms permit and requires that person to carry the permit on his or her person when carrying a firearm on duty.*

This bill would provide for the association of a firearms permit with the license or registration of the applicant, as specified. *The bill would authorize an applicant for a firearms permit to, in lieu of submitting a classifiable fingerprint card, submit fingerprints into an electronic fingerprinting system administered by the Department of Justice, 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. *The bill would authorize a person required to be registered as a security guard, while pending receipt of the firearms permit after the bureau's approval, to carry a firearm while on duty if the person carries on his or her person both a hardcopy printout of the approved firearms permit information from the bureau's Internet Web site and a valid picture identification.*

(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.

(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 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 ~~authorize the 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 until the time for appeal has elapsed and further authorize the Real Estate Commissioner 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. The bill would require the commissioner to rescind~~ *recission* of 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.

(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
- 2 Code, as added by Chapter 510 of the Statutes of 2015, is amended
- 3 to 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.

- 1 (3) Athletic Commission Fund.
- 2 (4) Barbering and Cosmetology Contingent Fund.
- 3 (5) Cemetery and Funeral Fund.
- 4 (6) Contractors' License Fund.
- 5 (7) State Dentistry Fund.
- 6 (8) Guide Dogs for the Blind Fund.
- 7 (9) Home Furnishings and Thermal Insulation Fund.
- 8 (10) California Architects Board-Landscape Architects Fund.
- 9 (11) Contingent Fund of the Medical Board of California.
- 10 (12) Optometry Fund.
- 11 (13) Pharmacy Board Contingent Fund.
- 12 (14) Physical Therapy Fund.
- 13 (15) Private Investigator Fund.
- 14 (16) Private Security Services Fund.
- 15 (17) Professional Engineer's, Land Surveyor's, and Geologist's
- 16 Fund.
- 17 (18) Consumer Affairs Fund.
- 18 (19) Behavioral Sciences Fund.
- 19 (20) Licensed Midwifery Fund.
- 20 (21) Court Reporters' Fund.
- 21 (22) Veterinary Medical Board Contingent Fund.
- 22 (23) Vocational Nursing and Psychiatric Technicians Fund.
- 23 (24) Electronic and Appliance Repair Fund.
- 24 (25) Dispensing Opticians Fund.
- 25 (26) Acupuncture Fund.
- 26 (27) Physician Assistant Fund.
- 27 (28) Board of Podiatric Medicine Fund.
- 28 (29) Psychology Fund.
- 29 (30) Respiratory Care Fund.
- 30 (31) Speech-Language Pathology and Audiology and Hearing
- 31 Aid Dispensers Fund.
- 32 (32) Board of Registered Nursing Fund.
- 33 (33) Animal Health Technician Examining Committee Fund.
- 34 (34) State Dental Hygiene Fund.
- 35 (35) State Dental Assistant Fund.
- 36 (36) Structural Pest Control Fund.
- 37 (37) Structural Pest Control Eradication and Enforcement Fund.
- 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, or employee of a licensee, while acting within
23 the course and scope of his or her employment or contract, that
24 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 while acting within the course and scope of his or her employment
32 or contract, that results in a police report or bodily harm or bodily
33 injury, the licensee or the licensee's qualified certificate holder or
34 registrant shall send by certified mail, return receipt requested, a
35 notice containing information about the incident to the person or
36 individual who made the assignment. If the assignor is not the
37 legal owner, the assignor shall notify the legal owner of the
38 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 and five
14 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 one hundred dollars
23 (\$100) for each violation.

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

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

37 SEC. 5. Section 7508.2 of the Business and Professions Code
38 is amended to read:

39 7508.2. The director may assess administrative fines for any
40 of the following prohibited acts:

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

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

35 (c) Selling collateral recovered under this chapter, or making a
36 demand for payment in lieu of repossession. The fine shall be two
37 hundred fifty dollars (\$250) for the first violation and a fine not
38 to exceed one thousand dollars (\$1,000) for each subsequent
39 violation.

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

5 (e) Committing unlawful assault or battery on another person
6 during the course of a repossession. The fine shall not exceed two
7 thousand five hundred dollars (\$2,500) for each violation.

8 (f) Falsification of an inventory. The fine shall be one hundred
9 dollars (\$100) for the first violation and two hundred fifty dollars
10 (\$250) for each violation thereafter.

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

18 SEC. 6. Section 7508.3 of the Business and Professions Code
19 is amended to read:

20 7508.3. A licensee, or any of his or her registrants or
21 employees, or a qualified certificate holder, is prohibited from
22 using any false or misleading representation during the course of
23 recovery of collateral. The bureau shall issue a notice of warning
24 for a first violation, a fine of one hundred dollars (\$100) for the
25 second violation, and a fine not to exceed two hundred fifty dollars
26 (\$250) for any subsequent violation of any of the following:

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

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

33 (c) The representation or implication by a repossession agency
34 or its registrants or employees that nonpayment of any debt will
35 result in the arrest or imprisonment of any person or the seizure,
36 garnishment, attachment, or sale of any property or wages of any
37 person, unless the action is lawful and the creditor has instructed
38 the repossession agency to inform the debtor that the creditor
39 intends to take the action.

40 (d) The threat to take any action that cannot legally be taken.

1 (e) The false representation or implication that the debtor
2 committed any crime or other conduct in order to disgrace the
3 debtor.

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

9 (g) The false representation or implication that documents are
10 legal process.

11 (h) The use of any business, company, or organization name
12 other than the true name of the repossession agency's business,
13 company, or organization.

14 (i) The use of any deceptive forms.

15 SEC. 7. Section 7508.4 of the Business and Professions Code
16 is amended to read:

17 7508.4. The director may assess administrative fines for any
18 of the following prohibited acts:

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

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

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

36 (d) Employing a person whose registration has expired or been
37 revoked, denied, suspended, or canceled, if the bureau has furnished
38 a listing of these persons to the licensee. The fine shall be one
39 hundred fifty dollars (\$150) for the first violation and a fine not

1 to exceed one thousand dollars (\$1,000) for each violation
2 thereafter.

3 (e) Failing to notify the bureau, within 30 days, of any change
4 in officers. A notice of warning shall be issued for the first
5 violation. Thereafter, the fine shall be five hundred dollars (\$500)
6 for each violation.

7 (f) Failing to submit the notices regarding a violent act or
8 threatened violent act within seven days pursuant to Section 7507.6
9 or to submit a copy of a judgment awarded against the licensee
10 for an amount of more than the then prevailing maximum claim
11 that may be brought in small claims court within seven days
12 pursuant to Section 7507.7. The fine shall not exceed five hundred
13 dollars (\$500) for the first violation and shall not exceed one
14 thousand dollars (\$1,000) for each violation thereafter.

15 (g) Failing to include the licensee's name, address, and license
16 number in any advertisement. The fine shall be fifty dollars (\$50)
17 for each violation.

18 (h) Failing to maintain personal effects for at least 60 days. The
19 fine shall be one hundred dollars (\$100) for the first violation and
20 two hundred fifty dollars (\$250) for each violation thereafter.

21 (i) Failing to provide a personal effects list or a notice of seizure
22 within the time limits set forth in Section 7507.9 or 7507.10. The
23 fine shall be one hundred dollars (\$100) for the first violation and
24 two hundred fifty dollars (\$250) for each violation thereafter.

25 (j) Failing to file the required report pursuant to Section 28 of
26 the Vehicle Code. The fine shall be one hundred dollars (\$100)
27 for the first violation and two hundred fifty dollars (\$250) for each
28 violation thereafter, per audit.

29 (k) Failing to maintain an accurate record and accounting of
30 secure temporary registration forms. The qualified certificate holder
31 shall be fined two hundred fifty dollars (\$250) for the first
32 violation, fined an amount not to exceed five hundred dollars
33 (\$500) for the second violation, and fined an amount not to exceed
34 one thousand dollars (\$1,000) plus a one-year suspension of the
35 privilege to issue temporary registrations pursuant to Section
36 7506.9 for the third and subsequent violations.

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

1 (m) Notwithstanding any other law, the money in the Private
2 Security Services Fund that is attributable to administrative fines
3 imposed pursuant to this section shall not be continuously
4 appropriated and shall be available for expenditure only upon
5 appropriation by the Legislature.

6 SEC. 8. Section 7508.6 of the Business and Professions Code
7 is amended to read:

8 7508.6. The director may assess administrative fines against
9 any repossession agency licensee, qualified certificate holder, or
10 registrant for failure to notify the bureau within 30 days of any
11 change of residence or business address. The fine shall be fifty
12 dollars (\$50) for each violation.

13 SEC. 9. Article 12 (commencing with Section 7511.5) is added
14 to Chapter 11 of Division 3 of the Business and Professions Code,
15 to read:

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Article 12. Review

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19 7511.5. Notwithstanding any other law, the powers and duties
20 of the bureau, as set forth in this chapter, shall be subject to review
21 by the appropriate policy committees of the Legislature. The review
22 shall be performed as if this chapter were scheduled to be repealed
23 as of January 1, 2020.

24 SEC. 10. Section 7520.3 of the Business and Professions Code
25 is amended to read:

26 7520.3. (a) As a condition of the issuance, reinstatement,
27 reactivation, or continued valid use of a license under this chapter,
28 a limited liability company shall, in accordance with this section,
29 maintain a policy or policies of insurance against liability imposed
30 on or against it by law for damages arising out of claims based
31 upon acts, errors, or omissions arising out of the private investigator
32 services it provides.

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

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

39 (2) For a limited liability company licensee with more than five
40 persons named as managing members pursuant to subdivision (i)

1 of Section 7525.1, an additional one hundred thousand dollars
2 (\$100,000) of insurance shall be obtained for each person named
3 as managing members of the licensee except that the maximum
4 amount of insurance is not required to exceed five million dollars
5 (\$5,000,000) in any one designated period, less amounts paid in
6 defending, settling, or discharging claims as set forth under this
7 section.

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

14 (d) For any insurance policy secured by a licensee in satisfaction
15 of this section, a Certificate of Liability Insurance, signed by an
16 authorized agent or employee of the insurer, shall be submitted
17 electronically or otherwise to the bureau. The insurer issuing the
18 certificate shall report to the bureau the following information for
19 any policy required under this section: name, license number,
20 policy number, dates that coverage is scheduled to commence and
21 lapse, and cancellation date if applicable. The insurer shall list the
22 bureau as the certificate holder for the purposes of receiving
23 notifications related to the policy's status.

24 (e) (1) If a licensee fails to maintain sufficient insurance as
25 required by this section, or fails to provide proof of the required
26 insurance upon request by the bureau, the license is subject to
27 suspension and shall be automatically suspended pursuant to this
28 subdivision until the date that the licensee provides proof to the
29 bureau of compliance with the insurance coverage requirement.

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

34 (3) If the licensee fails to provide proof of insurance coverage
35 within this period, the bureau may automatically suspend the
36 license.

37 (f) If the license of a limited liability company is suspended
38 pursuant to subdivision (e), each member of the limited liability
39 company shall be personally liable up to one million dollars
40 (\$1,000,000) each for damages resulting to third parties in

1 connection with the company's performance, during the period of
2 suspension, of any act or contract when a license is required by
3 this chapter.

4 (g) This section shall remain in effect only until January 1, 2018,
5 and as of that date is repealed.

6 SEC. 11. Section 7525.1 of the Business and Professions Code,
7 as amended by Section 5 of Chapter 635 of the Statutes of 2015,
8 is amended to read:

9 7525.1. An application shall be verified and shall include:

10 (a) The full name and business address of the applicant.

11 (b) The name under which the applicant intends to do business.

12 (c) A statement as to the general nature of the business in which
13 the applicant intends to engage.

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

15 (e) (1) If the applicant is an individual, a qualified manager, a
16 partner of a partnership, an officer of a corporation designated in
17 subdivision (h), or a managing member of a limited liability
18 company designated in subdivision (i), one personal identification
19 form provided by the bureau upon which shall appear a photograph
20 taken within one year immediately preceding the date of the filing
21 of the application together with two legible sets of fingerprints,
22 one set of which shall be forwarded to the Federal Bureau of
23 Investigation for purposes of a background check, on a form
24 approved by the Department of Justice, and a personal description
25 of each person, respectively. The identification form shall include
26 residence addresses and employment history for the previous five
27 years and be signed under penalty of perjury.

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

32 (f) In addition, if the applicant for a license is an individual, the
33 application shall list all other names known as or used during the
34 past 10 years and shall state that the applicant is to be personally
35 and actively in charge of the business for which the license is
36 sought. If any other qualified manager is to be actively in charge
37 of the business, the application shall be subscribed, verified, and
38 signed by the applicant, under penalty of perjury. If any other
39 person is to be actively in charge of the business, the application

1 shall also be subscribed, verified, and signed by that person under
2 penalty of perjury.

3 (g) If the applicants for a license are copartners, the application
4 shall state the true names and addresses of all partners and the
5 name of the partner to be actively in charge of the business for
6 which the license is sought and list all other names known as or
7 used during the past 10 years. If a qualified manager other than a
8 partner is to be actively in charge of the business, then the
9 application shall be subscribed, verified, and signed by all of the
10 partners under penalty of perjury. If any other person is to be
11 actively in charge of the business, the application shall also be
12 subscribed, verified, and signed by that person, under penalty of
13 perjury, under penalty of perjury by all of the partners and the
14 qualified manager, or by all of the partners or the qualified
15 manager.

16 (h) If the applicant for a license is a corporation, the application
17 shall state the true names and complete residence addresses of the
18 chief executive officer, secretary, chief financial officer, and any
19 other corporate officer who will be active in the business to be
20 licensed. The application shall also state the name and address of
21 the designated person to be actively in charge of the business for
22 which the license is sought. The application shall be subscribed,
23 verified, and signed by a duly authorized officer of the applicant
24 and by the qualified manager thereof, under penalty of perjury.

25 (i) If the applicant for a license is a limited liability company,
26 the application shall state the true name and complete residence
27 address of each managing member and any other officer or member
28 who will be active in the business to be licensed. A copy of the
29 most recent articles of organization, as filed by the Secretary of
30 State, shall be supplied to the bureau upon request. The application
31 shall also state the name and residence address of the designated
32 person to be actively in charge of the business for which the license
33 is sought. The application shall be subscribed, verified, and signed
34 by a duly authorized member of the applicant and by the qualified
35 manager thereof under penalty of perjury.

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

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

39 (l) This section shall remain in effect only until January 1, 2018,
40 and as of that date is repealed.

1 SEC. 12. Section 7533.5 of the Business and Professions Code
2 is amended to read:

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

7 (b) Applications, on forms prescribed by the director, shall be
8 submitted by all new officers, managing members, and partners.
9 The director may suspend or revoke a license issued under this
10 chapter if the director determines that the new officer, managing
11 member, or partner of a licensee has committed any of the acts
12 constituting grounds to deny an application for a license or to take
13 disciplinary action against a licensee pursuant to Section 7538 or
14 7538.5, respectively.

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

17 SEC. 13. Section 7533.5 is added to the Business and
18 Professions Code, to read:

19 7533.5. (a) A licensee shall notify the bureau within 30 days
20 of any change in its corporate officers, or members required to be
21 named pursuant to subdivision (h) of Section 7525.1, and of any
22 addition of a new partner.

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

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

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

33 7542. (a) A licensee and qualified manager who in the course
34 of his or her employment or business carries a deadly weapon shall
35 complete a course of training in the exercise of the powers to arrest
36 as specified in Section 7583.7 and a course of training in the
37 carrying and use of firearms as specified in Article 4 (commencing
38 with Section 7583) of Chapter 11.5. A licensee or qualified
39 manager shall not carry or use a firearm unless he or she has met
40 the requirements of Sections 7583.23, 7583.24, and 7583.28 and

1 has in his or her possession a valid firearms qualification card. A
2 licensee or qualified manager who possesses a valid firearms
3 qualification card shall comply with, and be subject to, Sections
4 7583.25, 7583.26, 7583.27, 7583.30, 7583.31, 7583.32, and
5 7583.37. A licensee or qualified manager who possesses a valid
6 firearms qualification card may carry a firearm capable of being
7 concealed upon the person in a concealed manner if he or she
8 complies with applicable provisions set forth in Chapter 4
9 (commencing with Section 26150) of Division 5 of Title 4 of Part
10 6 of the Penal Code.

11 (b) If a firearms qualification card is denied, the denial shall be
12 in writing and shall describe the basis for the denial. The denial
13 shall inform the applicant that if he or she desires a review by the
14 Private Investigator Disciplinary Review Committee to contest
15 the denial, the review shall be requested of the director within 30
16 days following the issuance of the denial. A review or hearing
17 shall be held pursuant to Section 7519.3. However, no review or
18 hearing shall be granted to an individual who is otherwise
19 prohibited by law from carrying a firearm.

20 (c) (1) If a firearms qualification card is denied on the basis of
21 the results of an assessment pursuant to 7583.47, the denial shall
22 be in writing and shall describe the basis for the denial. The denial
23 shall inform the applicant that if he or she desires to contest the
24 denial, the applicant shall request a hearing within 30 days of the
25 issuance of the denial.

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

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

31 7563. The director, in lieu of suspending or revoking a license
32 issued under this chapter for violations of Sections 7561.1, 7561.3,
33 and 7561.4, may impose a civil penalty not to exceed five hundred
34 dollars (\$500) for the first violation, and one thousand dollars
35 (\$1,000) for each violation thereafter, upon a licensee, if the
36 director determines that this action better serves the purposes of
37 this chapter.

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

1 7566. The director may assess administrative fines of fifty
2 dollars (\$50) against any licensee, qualified manager, or firearms
3 qualification cardholder for each violation for failure to notify the
4 bureau within 30 days of any change of residence or business
5 address. The principal place of business may be at a home or at a
6 business address, but it shall be the place at which the licensee
7 maintains a permanent office.

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

11 7570. The fees prescribed by this chapter are as follows:

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

14 (b) The application fee for an original branch office certificate
15 shall not exceed thirty dollars (\$30).

16 (c) The fee for an original license for a private investigator shall
17 not exceed one hundred seventy-five dollars (\$175).

18 (d) The renewal fee is as follows:

19 (1) For a license as a private investigator, the fee shall not
20 exceed one hundred twenty-five dollars (\$125).

21 (2) For a branch office certificate for a private investigator, the
22 fee shall not exceed thirty dollars (\$30).

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

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

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

29 (h) The processing fee for the assignment of a license pursuant
30 to Section 7530 shall not exceed one hundred twenty-five dollars
31 (\$125).

32 (i) This section shall remain in effect only until January 1, 2018,
33 and as of that date is repealed.

34 SEC. 18. Section 7570 of the Business and Professions Code,
35 as added by Section 17 of Chapter 669 of the Statutes of 2014, is
36 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 branch office certificate for a private investigator, the
- 9 fee shall not exceed thirty dollars (\$30).
- 10 (e) The delinquency fee is 50 percent of the renewal fee in effect
- 11 on the date of expiration.
- 12 (f) A reinstatement fee is equal to the amount of the renewal
- 13 fee plus the regular delinquency fee.
- 14 (g) The fee for reexamination of an applicant or his or her
- 15 manager shall not exceed fifteen dollars (\$15).
- 16 (h) This section shall become operative on January 1, 2018.

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

20
 21 Article 8. Review

22
 23 7573.5. Notwithstanding any other law, the powers and duties
 24 of the bureau, as set forth in this chapter, shall be subject to review
 25 by the appropriate policy committees of the Legislature. The review
 26 shall be performed as if this chapter were scheduled to be repealed
 27 as of January 1, 2020.

28 SEC. 20. Section 7574.21 of the Business and Professions
 29 Code is amended to read:

30 7574.21. A person registered as a proprietary private security
 31 employer shall do the following with respect to proprietary private
 32 security officers in his or her employment:

- 33 (a) Maintain an accurate and current record of the name, address,
- 34 commencing date of employment, and position of each proprietary
- 35 private security officer, and the date of termination of employment
- 36 when a proprietary private security officer is terminated.
- 37 (b) Maintain an accurate and current record of proof of
- 38 completion by each proprietary private security officer of the
- 39 training described in Section 7574.18.

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

4
5 Article 6. Review
6

7 7576. 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. 22. Section 7583.3 of the Business and Professions Code
13 is amended to read:

14 7583.3. No person required to be registered as a security guard
15 pursuant to this chapter shall do any of the following:

16 (a) Fail to carry on his or her person, while on duty, a valid and
17 current security guard registration ~~card~~, *card, or if pending receipt*
18 *of the registration card after the bureau's approval, a hardcopy*
19 *printout of the approved security guard registration information*
20 *from the bureau's Internet Web site and a valid picture*
21 *identification pursuant to Section 7583.17.*

22 (b) Fail to carry on his or her person ~~a valid and current firearms~~
23 ~~permit~~ when carrying a firearm ~~on-duty~~, *duty either a valid and*
24 *current firearms permit, or if pending receipt of the permit after*
25 *the bureau's approval, a hardcopy printout of the approved*
26 *firearms permit information from the bureau's Internet Web site*
27 *and a valid picture identification pursuant to Section 7583.12.*

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

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

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

37 7583.4. Any person registered as a security guard or
38 patrolperson, and the employer of the security guard or
39 patrolperson, shall deliver to the director a written report describing
40 fully the circumstances surrounding any incident involving the

1 discharge of any firearm in which he or she was involved while
2 acting within the course and scope of his or her employment, within
3 seven days after the incident. The report shall be made on a form
4 prescribed by the director which shall include, but not be limited
5 to, the following:

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

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

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

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

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

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

14 (g) Whether a police investigation was conducted relating to
15 the incident.

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

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

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

25 7583.6. (a) A person entering the employ of a licensee to
26 perform the functions of a security guard or a security patrolperson
27 shall complete a course in the exercise of the power to arrest prior
28 to being assigned to a duty location.

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

36 (c) A course provider shall issue a certificate to a security guard
37 upon satisfactory completion of a required course, conducted in
38 accordance with the department's requirements. A private patrol
39 operator may provide training programs and courses in addition
40 to the training required in this section. A registrant who is unable

1 to provide his or her employing licensee the certificate of
2 satisfactory completion required by this subdivision shall complete
3 16 hours of the training required by subdivision (b) within 30 days
4 of the date of his or her employment and shall complete the 16
5 remaining hours within six months of his or her employment date.

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

13 (e) The course of training required by subdivision (b) may be
14 administered, tested, and certified by any licensee, or by any
15 organization or school approved by the department. The department
16 may approve any person or school to teach the course.

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

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

26 (g) This section does not apply to a 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 has successfully completed a course of
29 study in the exercise of the power to arrest approved by the
30 Commission on Peace Officer Standards and Training, or a federal
31 qualified law enforcement officer, as defined in Section 926B of
32 Title 18 of the United States Code, who has successfully completed
33 a course of study in the exercise of the power to arrest. This section
34 does not apply to armored vehicle guards.

35 SEC. 25. Section 7583.9 of the Business and Professions Code
36 is amended to read:

37 7583.9. (a) Upon accepting employment by a private patrol
38 operator, any employee who performs the function of a security
39 guard or security patrolperson who is not currently registered with
40 the bureau, shall complete an application for registration on a form

1 as prescribed by the director, and obtain two classifiable fingerprint
2 cards for submission to the Department of Justice. The applicant
3 shall submit the application, the registration fee, and his or her
4 fingerprints to the bureau. The bureau shall forward the classifiable
5 fingerprint cards to the Department of Justice. The Department of
6 Justice shall forward one classifiable fingerprint card to the Federal
7 Bureau of Investigation for purposes of a background check.

8 (b) If a private patrol operator pays the application fee on behalf
9 of the applicant, nothing in this section shall preclude the private
10 patrol operator from withholding the amount of the fee from the
11 applicant's compensation.

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

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

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

28 (1) Every conviction rendered against the applicant.

29 (2) Every arrest for an offense for which the applicant is
30 presently awaiting trial, whether the applicant is incarcerated or
31 has been released on bail or on his or her own recognizance
32 pending trial.

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

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

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

1 (2) An individual listed in subparagraph (A) or (B) of paragraph
2 (1) may immediately perform the functions of a security guard or
3 security patrolperson provided that he or she has submitted an
4 application, the applicable fees, and his or her fingerprints, if
5 required to submit fingerprints pursuant to subdivision (a), to the
6 bureau for a security guard registration.

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

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

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

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

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

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

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

39 SEC. 26. Section 7583.12 of the Business and Professions
40 Code is amended to read:

1 7583.12. (a) An employee of a licensee shall not carry or use
2 a firearm unless the employee has in his or her possession both of
3 the following:

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

6 (2) A valid firearm qualification card issued pursuant to this
7 chapter.

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

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

20 (d) Paragraph (2) of subdivision (a) and subdivision (b) shall
21 not apply to a duly appointed peace officer, as defined in Chapter
22 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal
23 Code, who meets all of the following:

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

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

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

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

1 (2) A peace officer exempt under this subdivision shall carry
2 on his or her person a letter of approval from his or her primary
3 employer authorizing him or her to carry a firearm while working
4 as a security guard.

5 SEC. 27. Section 7583.22 of the Business and Professions
6 Code is amended to read:

7 7583.22. (a) A licensee, qualified manager of a licensee, or
8 security guard who, in the course of his or her employment, may
9 be required to carry a firearm shall, prior to carrying a firearm, do
10 both of the following:

11 (1) Complete a course of training in the carrying and use of
12 firearms.

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

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

20 (c) A pocket card issued by the bureau pursuant to Section
21 7582.13 may also serve as a firearms qualification card if so
22 indicated on the face of the card.

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

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

32 7583.23. The bureau shall issue a firearms permit when all of
33 the following conditions are satisfied:

34 (a) The applicant is a licensee, a qualified manager of a licensee,
35 or a registered security guard subject to ~~both~~ of the following:

36 (1) The firearms permit may only be associated with the
37 following:

38 (A) A sole owner of a sole ownership licensee, pursuant to
39 Section 7582.7 or 7525.1.

1 (B) A partner of a partnership licensee, pursuant to Section
2 7582.7 or 7525.1.

3 (C) A qualified manager of a licensee, pursuant to Section 7536
4 or 7582.22.

5 (D) A security guard registrant.

6 (2) If the firearms permit is associated with a security guard
7 registration, he or she is subject to the provisions of Section
8 7583.47, regardless of any other license possessed or associated
9 with the firearms permit.

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

14 (c) The applicant has filed with the bureau a classifiable
15 fingerprint card, a completed application for a firearms permit on
16 a form prescribed by the director, dated and signed by the applicant,
17 certifying under penalty of perjury that the information in the
18 application is true and correct. *In lieu of a classifiable fingerprint*
19 *card, the applicant may submit fingerprints into an electronic*
20 *fingerprinting system administered by the Department of Justice.*
21 *An applicant who submits his or her fingerprints by electronic*
22 *means shall have his or her fingerprints entered into the system*
23 *through a terminal operated by a law enforcement agency or other*
24 *facility authorized by the Department of Justice to conduct*
25 *electronic fingerprinting. The terminal operator may charge a fee*
26 *sufficient to reimburse it for the costs incurred in providing this*
27 *service.*

28 (d) The bureau has determined, after investigation, that the
29 carrying and use of a firearm by the applicant, in the course of his
30 or her duties, presents no apparent threat to the public safety, or
31 that the carrying and use of a firearm by the applicant is not in
32 violation of the Penal Code.

33 (e) The applicant has produced evidence to the firearm training
34 facility that he or she is a citizen of the United States or has
35 permanent legal alien status in the United States. Evidence of
36 citizenship or permanent legal alien status shall be that deemed
37 sufficient by the bureau to ensure compliance with federal laws
38 prohibiting possession of firearms by persons unlawfully in the
39 United States and may include, but not be limited to, United States
40 Department of Justice, Immigration and Naturalization Service

1 Form I-151 or I-551, Alien Registration Receipt Card,
2 naturalization documents, or birth certificates evidencing lawful
3 residence or status in the United States.

4 (f) The application is accompanied by the application fees
5 prescribed in this chapter.

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

11 SEC. 29. Section 7583.24 of the Business and Professions
12 Code is amended to read:

13 7583.24. (a) The bureau shall not issue a firearm permit if the
14 applicant is prohibited from possessing, receiving, owning, or
15 purchasing a firearm pursuant to state or federal law.

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

19 (c) The Department of Justice shall inform the bureau, within
20 60 days from receipt of the information specified in subdivision
21 (b), of the applicant's eligibility to possess, receive, purchase, or
22 own a firearm pursuant to state and federal law.

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

28 (e) Beginning January 1, 2018, the bureau shall not issue a
29 firearm permit pursuant to this chapter to a registered security
30 guard if the applicant has been found incapable, at the time of
31 application, of exercising appropriate judgment, restraint, and
32 self-control for the purposes of carrying and using a firearm during
33 the course of his or her duties, pursuant to Section 7583.47. An
34 applicant who has been denied a firearm permit pursuant to this
35 subdivision may reapply for the permit after 12 months from the
36 date of denial. The bureau shall treat the application as an initial
37 application and the applicant must satisfy all the requirements
38 specified in Section 7583.23.

39 (f) Beginning January 1, 2018, the bureau shall not issue a
40 firearm permit pursuant to this chapter to a licensee or a qualified

1 manager of a licensee who, within the past 12 months, has been
2 found incapable of exercising appropriate judgment, restraint, and
3 self-control, for the purposes of carrying and using a firearm during
4 the course of his or her duties, pursuant to the assessment required
5 under Section 7583.47 for a permit associated with a security guard
6 registration.

7 SEC. 30. Section 7583.25 of the Business and Professions
8 Code is amended to read:

9 7583.25. (a) The bureau shall not renew a firearm permit if
10 the applicant is prohibited from possessing, receiving, purchasing,
11 or owning a firearm pursuant to state or federal law.

12 (b) Before renewing a firearm permit, the bureau shall provide
13 the Department of Justice with the information necessary to identify
14 the renewal applicant.

15 (c) The Department of Justice shall inform the bureau, within
16 30 days of receipt of the information specified in subdivision (b),
17 of the renewal applicant's eligibility to possess, receive, purchase,
18 or own a firearm pursuant to state and federal law.

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

24 SEC. 31. Section 7583.27 of the Business and Professions
25 Code is amended to read:

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

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

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

3 (A) Assault.

4 (B) Battery.

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

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

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

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

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

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

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

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

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

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

1 7583.32. (a) A firearms qualification card expires two years
2 from the date of issuance, if not renewed. A person who wishes
3 to renew a firearms qualification card shall file an application for
4 renewal at least 60 days prior to the card's expiration. A person
5 whose card has expired shall not carry a firearm until he or she
6 has been issued a renewal card by the bureau.

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

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

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

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

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

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

38 (d) Paragraph (2) of subdivision (b) shall not apply to a duly
39 appointed peace officer, as defined in Chapter 4.5 (commencing
40 with Section 830) of Title 3 of Part 2 of the Penal Code who is

1 authorized to carry a firearm in the course of his or her duties and
2 who has successfully completed requalification training.

3 SEC. 34. Section 7583.33 of the Business and Professions
4 Code is amended to read:

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

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

16 SEC. 35. Section 7583.37 of the Business and Professions
17 Code is amended to read:

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

26 (a) Carry any inoperable, replica, or other simulated firearm.

27 (b) Use a firearm in violation of the law, or in knowing violation
28 of the standards for the carrying and usage of firearms as taught
29 in the course of training in the carrying and use of firearms.
30 Unlawful or prohibited uses of firearms shall include, but not be
31 limited to, the following:

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

33 (2) Brandishing a weapon.

34 (3) Drawing a weapon without proper cause.

35 (4) Provoking a shooting incident without cause.

36 (5) Carrying or using a firearm while on duty while under the
37 influence of alcohol or dangerous drugs.

38 (6) Carrying or using a firearm of a caliber for which a firearms
39 permit has not been issued by the bureau.

1 (7) Carrying or using a firearm while performing duties not
2 related to the qualifying license or registration to which the bureau
3 associated the firearms permit.

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

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

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

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

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

25 (3) The person is an honorably retired peace officer authorized
26 to carry a concealed firearm pursuant to Section 25650 of the Penal
27 Code or Article 2 (commencing with Section 25450) of Chapter
28 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

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

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

37 7583.39. (a) The bureau shall require, as a condition precedent
38 to the issuance, reinstatement, reactivation, renewal, or continued
39 maintenance of a license, that the applicant or licensee file or have

1 on file with the bureau, an insurance policy, as defined in Section
2 7583.40.

3 (b) If a licensee fails to maintain sufficient insurance, as required
4 by this section, or fails to provide proof of the required insurance
5 policy upon request by the bureau, the license shall be
6 automatically suspended by operation of law until the date that the
7 licensee provides proof to the bureau of compliance with the
8 insurance coverage requirement. Prior to an automatic suspension,
9 the bureau shall notify the licensee, in writing, that it has 30 days
10 to provide proof to the bureau of having the required insurance
11 policy or the license shall be automatically suspended.

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

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

- 22 (A) The name of the insured.
- 23 (B) The licensee's license number.
- 24 (C) The policy number.
- 25 (D) The dates that coverage is scheduled to commence and end.
- 26 (E) The cancellation date, if applicable.

27 SEC. 37. Section 7583.47 is added to the Business and
28 Professions Code, to read:

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

36 (b) Beginning January 1, 2018, the applicant shall complete the
37 assessment, as specified in this section.

38 (c) (1) The bureau shall implement a process to administer the
39 assessment specified in this section by January 1, 2018. The
40 establishment of the assessment and the process for administering

1 the assessment shall not be subject to the requirements of Chapter
2 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
3 Title 2 of the Government Code.

4 (2) The bureau shall consult with a California licensed
5 psychologist, psychologists, or other persons with subject matter
6 expertise, whose minimum duties shall include, but are not limited
7 to, assisting the bureau with all of the following:

8 (A) Establishing criteria for a contract with a vendor to
9 administer the assessment.

10 (B) Identifying minimum standards for the assessment.

11 (C) Evaluating currently available assessments.

12 (D) Providing consultative services on the bids received by the
13 bureau from third-party vendors seeking to administer and interpret
14 the assessment, to ensure both of the following:

15 (i) Compliance with the applicable standards of care for the
16 administration and interpretation of such assessments.

17 (ii) The assessment will be administered in accordance with the
18 assessment manufacturer's requirements.

19 (3) The bureau shall contract with a third-party vendor to
20 administer the assessment. All third-party vendors seeking to
21 administer the assessment must meet the minimum standards
22 established by the bureau, its consultants, and the assessment
23 manufacturer's requirements for administering the assessment.
24 Considerations for the third-party vendor contract shall include,
25 but are not limited to, all of the following:

26 (A) Cost to the applicant to complete the assessment.

27 (B) Geographic accessibility statewide of the assessment to
28 applicants.

29 (C) Assessment compliance with the established minimum
30 standards for the assessment and assessment process.

31 (D) Ensuring an assessment carried out on an applicant complies
32 with the applicable professional standards of care for such
33 assessments, as well as the assessment manufacturer's requirements
34 for administering the assessment.

35 (d) Upon the bureau's verification that the applicant has satisfied
36 subdivisions (a) to (f), inclusive, of Section 7583.23 and upon the
37 applicant's clearance of a background check by the Department
38 of Justice and the Federal Bureau of Investigation to possess a
39 firearm, the bureau shall notify the applicant that he or she is to
40 contact the bureau's vendor to complete the assessment. The

1 applicant, or his or her designee or employer if the employer
2 voluntarily chooses, shall bear the cost of the assessment.

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

11 (f) The application shall be deemed incomplete until the bureau
12 receives the applicant’s results of his or her assessment.

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

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

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

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

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

38 (b) The bureau shall maintain a program of random and targeted
39 inspections of facilities to ensure compliance with applicable laws
40 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 five hundred dollars (\$500) per violation.

13 (b) Violation of subdivisions (h) and (i) of Section 7583.2; two
14 hundred fifty dollars (\$250) per violation.

15 (c) Violation of subdivision (d) of Section 7583.2; five hundred
16 dollars (\$500) per violation.

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

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

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

25 7587.9. The director may assess fines for the following acts
26 pursuant to Article 4 (commencing with Section 7583) only as
27 follows:

28 (a) Violation of subdivisions (a) and (b) of Section 7583.3; one
29 hundred fifty dollars (\$150) per violation.

30 (b) Violation of subdivision (c) of Section 7583.3; five hundred
31 dollars (\$500) for the first violation and one thousand dollars
32 (\$1,000) per violation for each violation thereafter.

33 (c) Violation of Section 7583.4; five hundred dollars (\$500) per
34 violation.

35 SEC. 41. Section 7587.10 of the Business and Professions
36 Code is amended to read:

37 7587.10. The director may assess fines for the following acts
38 pursuant to Article 4 (commencing with Section 7583) only as
39 follows:

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

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

7 (c) Violation of subdivision (e) of Section 7583.37; one thousand
8 dollars (\$1,000).

9 (d) Violation of subdivision (b) of Section 7583.37; one
10 thousand dollars (\$1,000) and suspension of a firearm qualification
11 card for six months for the first violation and, for a violation
12 thereafter, one thousand dollars (\$1,000) and a suspension of a
13 firearm qualification card for not more than one year.

14 SEC. 42. Section 7587.12 of the Business and Professions
15 Code is amended to read:

16 7587.12. The director may assess fines for the following acts
17 only as follows:

18 (a) Violations of paragraph (1), (2), (11), or (12) of subdivision
19 (a) of Section 7585.19; two hundred fifty dollars (\$250) for the
20 first violation and five hundred dollars (\$500) for subsequent
21 violations.

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

25 (c) Violations of paragraph (6) of subdivision (a) of Section
26 7585.19; five hundred dollars (\$500) for each hour shortened.

27 (d) Violations of paragraph (4) of subdivision (a) of Section
28 7585.19; five hundred dollars (\$500) for each violation.

29 (e) Violations of paragraph (5) of subdivision (a) of Section
30 7585.19; five hundred dollars (\$500) for every hour the course has
31 been shortened.

32 (f) Violations of paragraph (9) of subdivision (a) of Section
33 7585.19; one thousand dollars (\$1,000) for each violation.

34 SEC. 43. Section 7587.14 of the Business and Professions
35 Code is amended to read:

36 7587.14. The director may assess administrative fines of fifty
37 dollars (\$50) against any licensee, registrant, or firearms
38 qualification cardholder for each violation for failure to notify the
39 bureau within 30 days of any change of residence or business
40 address. The principal place of business may be at a home or at a

1 business address, but it shall be the place at which the licensee
2 maintains a permanent office.

3 SEC. 44. Section 7587.15 of the Business and Professions
4 Code is amended to read:

5 7587.15. Notwithstanding any other provision of law, the
6 director may assess a fine of up to five thousand dollars (\$5,000)
7 per violation against any licensee for a failure to comply with
8 subdivision (e) of Section 7583.2.

9 SEC. 45. Section 7588 of the Business and Professions Code
10 is amended to read:

11 7588. The fees prescribed by this chapter are as follows:

12 (a) The application and examination fee for an original license
13 for a private patrol operator may not exceed five hundred dollars
14 (\$500).

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

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

20 (d) The renewal fee is as follows:

21 (1) For a license as a private patrol operator, the fee may not
22 exceed seven hundred dollars (\$700).

23 (2) For a branch office certificate for a private patrol operator,
24 the fee may not exceed seventy-five dollars (\$75).

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

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

29 (g) The fee for reexamination of an applicant or his or her
30 manager shall be the actual cost to the bureau for developing,
31 purchasing, grading, and administering each examination.

32 (h) Registration fees pursuant to this chapter are as follows:

33 (1) A registration fee for a security guard shall not exceed fifty
34 dollars (\$50).

35 (2) A security guard registration renewal fee shall not exceed
36 thirty-five dollars (\$35).

37 (i) Fees to carry out other provisions of this chapter are as
38 follows:

39 (1) A firearms qualification fee may not exceed eighty dollars
40 (\$80).

1 (2) A firearms requalification fee may not exceed sixty dollars
2 (\$60).

3 (3) An initial baton certification fee may not exceed fifty dollars
4 (\$50).

5 (4) An application fee and renewal fee for certification as a
6 firearms training facility or a baton training facility may not exceed
7 five hundred dollars (\$500).

8 (5) An application fee and renewal fee for certification as a
9 firearms training instructor or a baton training instructor may not
10 exceed two hundred fifty dollars (\$250).

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

14
15 Article 9. Review

16
17 7588.8. Notwithstanding any other law, the powers and duties
18 of the bureau, as set forth in this chapter, shall be subject to review
19 by the appropriate policy committees of the Legislature. The review
20 shall be performed as if this chapter were scheduled to be repealed
21 as of January 1, 2020.

22 SEC. 47. Section 7591.11 of the Business and Professions
23 Code is amended to read:

24 7591.11. (a) The bureau shall deny a firearms permit, pursuant
25 to Chapter 2 (commencing with Section 29800) of Division 9 of
26 Title 4 of Part 6 of the Penal Code, to any licensee, qualified
27 manager, or alarm agent who has been convicted of a felony, unless
28 the felony conviction has been reduced pursuant to Section 17 of
29 the Penal Code or the person has been pardoned by the Governor.
30 The licensee, qualified manager, or alarm agent shall not have a
31 right to a review or a hearing if the denial is made pursuant to this
32 section.

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

1 SEC. 48. Section 7596.3 of the Business and Professions Code
2 is amended to read:

3 7596.3. The director shall issue a firearms permit when all of
4 the following conditions exist:

5 (a) The applicant is a licensee, a qualified manager of a licensee,
6 a designated branch office manager of a licensee, or a registered
7 alarm agent. A firearms permit may only be associated with the
8 following:

9 (1) A sole owner of a sole ownership licensee.

10 (2) A partner of a partnership licensee.

11 (3) A qualified manager of a licensee.

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

13 (5) A registered alarm agent.

14 (b) The applicant has filed with the bureau a classifiable
15 fingerprint card, a completed application for a firearms permit on
16 a form prescribed by the director, dated and signed by the applicant,
17 certifying under penalty of perjury that the information in the
18 application is true and correct. *In lieu of a classifiable fingerprint*
19 *card, the applicant may submit fingerprints into an electronic*
20 *fingerprinting system administered by the Department of Justice.*
21 *An applicant who submits his or her fingerprints by electronic*
22 *means shall have his or her fingerprints entered into the system*
23 *through a terminal operated by a law enforcement agency or other*
24 *facility authorized by the Department of Justice to conduct*
25 *electronic fingerprinting. The terminal operator may charge a fee*
26 *sufficient to reimburse it for the costs incurred in providing this*
27 *service.*

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

31 (d) The applicant has provided the bureau with evidence that
32 the applicant has completed a course in the exercise of the powers
33 to arrest.

34 (e) The bureau has determined, after investigation, that the
35 carrying and use of a firearm by the applicant, in the course of his
36 or her duties, presents no apparent threat to the public safety, or
37 the carrying and use of a firearm by the applicant is not in violation
38 of the Penal Code.

39 (f) The applicant has produced evidence to the firearm training
40 facility that he or she is a citizen of the United States or has

1 permanent legal alien status in the United States. Evidence of
2 citizenship or permanent legal alien status shall be that deemed
3 sufficient by the bureau to ensure compliance with federal laws
4 prohibiting possession of firearms by persons unlawfully in the
5 United States and may include, but not be limited to, Department
6 of Justice, Immigration and Naturalization Service Form I-151 or
7 I-551, Alien Registration Receipt Card, naturalization documents,
8 or birth certificates evidencing lawful residence or status in the
9 United States.

10 (g) The application is accompanied by the fee prescribed in this
11 chapter.

12 SEC. 49. Section 7596.4 of the Business and Professions Code
13 is amended to read:

14 7596.4. (a) (1) If a firearms permit is denied, the denial of the
15 permit shall be in writing and shall describe the basis for the denial.
16 The denial shall inform the applicant that if he or she desires a
17 review by the Alarm Company Operator Disciplinary Review
18 Committee, the review shall be requested within 30 days of the
19 issuance of the denial.

20 (2) A review or hearing shall be held pursuant to Section
21 7591.19. However, no review or hearing shall be granted to an
22 individual who is otherwise prohibited by law from carrying a
23 firearm.

24 (b) (1) If a firearms permit is denied on the basis of the results
25 of an assessment required for a permit associated with a security
26 guard registration pursuant to 7583.47, the denial shall be in writing
27 and shall describe the basis for the denial. The denial shall inform
28 the applicant that if he or she desires to contest the denial, the
29 applicant shall request a hearing within 30 days of the issuance of
30 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. 50. Section 7596.8 of the Business and Professions Code
35 is amended to read:

36 7596.8. (a) The bureau shall not issue a firearm permit if the
37 applicant is prohibited from possessing, receiving, owning, or
38 purchasing a firearm pursuant to state or federal law.

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

4 (c) The Department of Justice shall inform the bureau, within
5 60 days from receipt of the information specified in subdivision
6 (b), of the applicant's eligibility to possess, receive, purchase, or
7 own a firearm pursuant to state and federal law.

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

13 (e) The bureau shall not issue a firearm permit pursuant to this
14 chapter to an applicant who, within the past 12 months, has been
15 found incapable of exercising appropriate judgment, restraint, and
16 self-control, for the purposes of carrying and using a firearm during
17 the course of his or her duties, pursuant to the assessment required
18 under Section 7583.47 for a permit associated with a security guard
19 registration.

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

22 7596.83. (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 Article
31 13 (commencing with Section 11460.10) of Chapter 4.5 of Part 1
32 of Division 3 of Title 2 of the Government Code against the holder
33 of the firearms permit if, after the bureau's investigation relating
34 to any of the following events, the bureau determines that the
35 holder of the firearms permit presents an undue hazard to public
36 safety that may result in substantial injury to another:

37 (1) Receipt of subsequent arrest information of an arrest for any
38 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 permit holder 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 pursuant
11 to the assessment required under Section 7583.47 for a permit
12 associated with a security guard registration.

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

15 7597.1. (a) A licensee, qualified manager, branch office
16 manager, or alarm agent shall not carry, use, or possess a loaded
17 or unloaded firearm in the course and scope of his or her
18 employment, whether or not it is serviceable or operative, unless
19 he or she has in his or her possession a valid and current firearms
20 qualification card issued to him or her by the bureau. The card
21 shall be shown to any peace officer or bureau representative upon
22 demand.

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

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

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

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

36 (c) A fine of two hundred fifty dollars (\$250) may be assessed
37 for the first violation of this section and a fine of five hundred
38 dollars (\$500) for each subsequent violation.

39 SEC. 53. Section 7597.2 of the Business and Professions Code
40 is amended to read:

1 7597.2. (a) A licensee, qualified manager, branch office
2 manager, or alarm agent shall not carry any inoperable, replica, or
3 other simulated firearm.

4 (b) A violation of this section shall result in a fine of one
5 hundred dollars (\$100) for the first violation and a fine of two
6 hundred fifty dollars (\$250) for each subsequent violation.

7 SEC. 54. Section 7597.3 of the Business and Professions Code
8 is amended to read:

9 7597.3. (a) No licensee, qualified manager, branch office
10 manager, or alarm agent shall use a firearm which is in violation
11 of law, or in knowing violation of the standards for carrying and
12 usage of firearms, as taught in the course of training in the carrying
13 and use of firearms, including, but not limited to:

- 14 (1) Illegally using, carrying, or possessing a dangerous weapon.
- 15 (2) Brandishing a weapon.
- 16 (3) Drawing a weapon without proper cause.
- 17 (4) Provoking a shooting incident without cause.
- 18 (5) Carrying or using a firearm while on duty under the influence
19 of alcohol or dangerous drugs.
- 20 (6) Carrying or using a firearm of a caliber for which a bureau
21 firearms permit has not been issued.
- 22 (7) Carrying or using a firearm while performing duties not
23 related to the qualifying license, certificate, or registration to which
24 the bureau associated the firearms permit.

25 (b) A fine of one thousand dollars (\$1,000) and a suspension of
26 the firearms permit for six months may be assessed for the first
27 violation of this section and a fine of one thousand dollars (\$1,000)
28 and a suspension of the firearms permit for not more than one year
29 for a subsequent violation.

30 SEC. 55. Section 7597.5 of the Business and Professions Code
31 is amended to read:

32 7597.5. (a) A licensee, qualified manager, branch office
33 manager, or alarm agent shall not carry or use tear gas or any other
34 nonlethal chemical agent in the performance of his or her duties,
35 unless he or she has in his or her possession proof of completion
36 of a course in the carrying and use of tear gas or other nonlethal
37 chemical agent.

38 (b) A fine of one hundred dollars (\$100) may be assessed for
39 the first violation of this section and a fine of two hundred fifty
40 (\$250) for each subsequent violation.

1 SEC. 56. Section 7597.6 of the Business and Professions Code
2 is amended to read:

3 7597.6. (a) A licensee, qualified manager, branch office
4 manager, or alarm agent shall not carry a pistol, revolver, or other
5 firearm capable of being concealed upon the person in a concealed
6 manner unless one of the following circumstances apply:

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

10 (2) The person is an honorably retired peace officer authorized
11 to carry a concealed firearm pursuant to Section 25650 of the Penal
12 Code or Article 2 (commencing with Section 25450) of Chapter
13 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

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

20 (b) A fine of one thousand dollars (\$1,000) may be assessed for
21 each violation of subdivision (a).

22 SEC. 57. Section 7598.51 of the Business and Professions
23 Code is amended to read:

24 7598.51. (a) An alarm agent shall carry on his or her person,
25 while on duty, either a valid and current registration card or a
26 temporary application for registration.

27 (b) A fine of one hundred fifty dollars (\$150) may be assessed
28 for each violation of subdivision (a).

29 SEC. 58. Section 7598.53 of the Business and Professions
30 Code is amended to read:

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

1 SEC. 59. Section 7599.32 of the Business and Professions
2 Code, as amended by Section 13 of Chapter 140 of the Statutes of
3 2015, is amended to read:

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

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

14 (c) A notice of warning may be issued for the first violation of
15 this section and a fine of five hundred dollars (\$500) for each
16 subsequent violation.

17 (d) This section shall remain in effect only until January 1, 2019,
18 and as of that date is repealed.

19 SEC. 60. Section 7599.32 of the Business and Professions
20 Code, as amended by Section 14 of Chapter 140 of the Statutes of
21 2015, is amended to read:

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

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

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

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

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

37 7599.33. A licensee shall not conduct business, as defined in
38 Section 7599.20, from any location other than that location for
39 which a license or branch office registration was issued. A violation
40 of this section may result in a fine of five hundred dollars (\$500)

1 for the first violation of this section and a fine of one thousand
2 dollars (\$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) 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 five hundred
11 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 as
8 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 and is automatically suspended pursuant to this
14 subdivision until the date that the licensee provides proof to the
15 bureau of compliance with the insurance coverage requirement.

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

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

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

30 (h) This section shall remain in effect only until January 1, 2019,
31 and as of that date is repealed.

32 SEC. 63. Section 7599.34 of the Business and Professions
33 Code, as amended by Section 16 of Chapter 140 of the Statutes of
34 2015, is amended to read:

35 7599.34. (a) A licensee shall not conduct a business as an
36 individual, partnership, or corporation unless the licensee holds a
37 valid license issued to that exact same individual, partnership, or
38 corporation. A violation of this section may result in a fine of five
39 hundred dollars (\$500) for each violation.

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

1 SEC. 64. Section 7599.36 of the Business and Professions
2 Code is amended to read:

3 7599.36. (a) Each licensee shall maintain a file or record
4 containing the name, address, commencing date of employment,
5 and position of each employee, and the date of termination. Those
6 files and records shall be retained during the time of employment
7 and for a period of not less than two years thereafter, and, together
8 with usual payroll records, shall be available for inspection by the
9 bureau, and copies thereof and information pertaining thereto or
10 contained therein shall be submitted to the bureau upon written
11 request. A violation concerning the maintenance of the files or
12 records may result in a fine of two hundred fifty dollars (\$250) for
13 each violation.

14 (b) A failure of a licensee to respond to the bureau's request to
15 forward copies of the files or records and information pertaining
16 thereto or contained therein within 30 days of the bureau's request
17 may result in a fine of two hundred fifty dollars (\$250) for each
18 violation.

19 SEC. 65. Section 7599.37 of the Business and Professions
20 Code is amended to read:

21 7599.37. Each licensee shall maintain an accurate and current
22 record of proof of completion of the course of training in the
23 exercise of the power to arrest as required by Section 7598.1, by
24 each of his or her employees. A violation of this section may result
25 in a fine of five hundred dollars (\$500) for each violation.

26 SEC. 66. Section 7599.38 of the Business and Professions
27 Code is amended to read:

28 7599.38. Each licensee shall certify an employee's completion
29 of the course of training in the exercise of power to arrest, or obtain
30 proof that the training has been administered by a bureau-approved
31 training facility, prior to allowing the employee to respond to an
32 alarm system as required by Section 7598.1. A violation of this
33 section may result in a fine of five hundred dollars (\$500) for each
34 violation.

35 SEC. 67. Section 7599.40 of the Business and Professions
36 Code is amended to read:

37 7599.40. A licensee shall not allow any employee to carry a
38 firearm or other deadly weapon without first ascertaining that the
39 employee is proficient in the use of each weapon to be carried. A
40 current and valid firearm qualification card which indicates the

1 specific caliber of the firearm which may be carried shall be
2 deemed evidence of proficiency. A firearm qualification permit is
3 not valid unless the employee holds a valid, current registration
4 card. With respect to other deadly weapons, evidence of proficiency
5 shall include a certificate from a training facility, certifying that
6 the employee is proficient in the use of that particular deadly
7 weapon. A violation of this section may result in a fine of two
8 thousand five hundred dollars (\$2,500) for each violation.

9 SEC. 68. Section 7599.41 of the Business and Professions
10 Code is amended to read:

11 7599.41. A licensee shall maintain an accurate and current
12 record of all firearms or other deadly weapons that are in the
13 possession of the licensee, or of any employee of the licensee,
14 while on duty. The record shall contain the make, model, and serial
15 number, or a description of any other deadly weapon, and the name
16 of the person who has title of ownership. A violation of this section
17 may result in a fine of five hundred dollars (\$500) for each
18 violation.

19 SEC. 69. Section 7599.42 of the Business and Professions
20 Code, as amended by Section 17 of Chapter 140 of the Statutes of
21 2015, is amended to read:

22 7599.42. (a) Within seven days after any violent incident
23 involving a dangerous weapon that has been caused by or occurred
24 upon a licensee or any officer, partner, managing member, qualified
25 manager, or employee of a licensee, while acting within the course
26 and scope of his or her employment, and that results in bodily
27 injury to any person or death of any person involved in that incident
28 or of any discharge of a weapon, excluding any discharge which
29 occurs on the range, the licensee or his or her manager shall mail
30 or deliver to the chief a detailed report of the incident. The report
31 shall describe fully the circumstances surrounding the incident,
32 any injuries or damages incurred, the identity of all participants,
33 and whether a police investigation was conducted. A violation of
34 this section by a licensee or any officer, partner, managing member,
35 or qualified manager may result in a fine of one thousand dollars
36 (\$1,000) for the first violation and two thousand dollars (\$2,000)
37 for each subsequent violation. A violation of this section by an
38 employee of a licensee may result in a fine of five hundred dollars
39 (\$500) for each violation.

1 (b) This section shall remain in effect only until January 1, 2019,
2 and as of that date is repealed.

3 SEC. 70. Section 7599.42 of the Business and Professions
4 Code, as amended by Section 18 of Chapter 140 of the Statutes of
5 2015, is amended to read:

6 7599.42. (a) Within seven days after any violent incident
7 involving a dangerous weapon, that has been caused by or occurred
8 upon a licensee or any officer, partner, qualified manager, or
9 employee of a licensee, while acting within the course and scope
10 of his or her employment, and that results in bodily injury to any
11 person or death of any person involved in that incident or of any
12 discharge of a weapon, excluding any discharge which occurs on
13 the range, the licensee or his or her manager shall mail or deliver
14 to the chief a detailed report of the incident. The report shall
15 describe fully the circumstances surrounding the incident, any
16 injuries or damages incurred, the identity of all participants, and
17 whether a police investigation was conducted. A violation of this
18 section by a licensee or any officer, partner, or qualified manager
19 may result in a fine of one thousand dollars (\$1,000) for the first
20 violation and two thousand five hundred (\$2,500) for each
21 subsequent violation. A violation of this section by an employee
22 of a licensee may result in a fine of five hundred dollars (\$500)
23 for each violation.

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

25 SEC. 71. Section 7599.44 of the Business and Professions
26 Code is amended to read:

27 7599.44. Every advertisement by a licensee soliciting or
28 advertising business shall contain his or her name and license
29 number as they appear in the records of the bureau. A violation of
30 this section may result in a fine of five hundred dollars (\$500) for
31 the first violation and one thousand dollars (\$1,000) for each
32 subsequent violation.

33 SEC. 72. Section 7599.45 of the Business and Professions
34 Code is amended to read:

35 7599.45. A licensee or employee of a licensee shall not enter
36 any private building or portion thereof, excepting premises open
37 to the public, without the consent of the owner or the person in
38 legal possession thereof. A violation of this section may result in
39 a fine of one hundred dollars (\$100) for each violation.

1 SEC. 73. Section 7599.54 of the Business and Professions
2 Code is amended to read:
3 7599.54. (a) Except as provided by Section 7599.56, every
4 agreement, including, but not limited to, lease agreements,
5 monitoring agreements, and service agreements, including all
6 labor, services, and materials to be provided for the installation of
7 an alarm system, shall be in writing. Except as provided by Section
8 7599.56, all amendments subject to the provisions of this section
9 to an initial agreement shall be in writing. Each initial agreement
10 shall contain, but not be limited to, the following:
11 (1) The name, business address, business telephone number,
12 and license number of the licensed alarm company operator and
13 the registration number of any alarm agent who solicited or
14 negotiated the agreement.
15 (2) The approximate dates when the work will begin and be
16 substantially completed.
17 (3) A description of the work to be done, a description of the
18 materials to be used, and the agreed consideration for the work.
19 (4) A disclosure that alarm company operators are licensed and
20 regulated by the Bureau of Security and Investigative Services,
21 Department of Consumer Affairs, including the bureau's current
22 address and contact information.
23 (5) A description of the alarm system including the major
24 components thereof and services to be provided to the purchaser
25 once the alarm is installed, including response or monitoring
26 services, if any.
27 (6) Other matters agreed to by the parties of the contract. The
28 agreement shall be legible and shall be in a form as to clearly
29 describe any other document which is to be incorporated into the
30 contract, and, before any work is done, the client shall be furnished
31 with a copy of the written agreement signed by the licensee.
32 (7) A statement setting forth that upon completion of the
33 installation of the alarm system, the alarm company shall
34 thoroughly instruct the purchaser in the proper use of the alarm
35 system.
36 (8) In the event a mechanic's lien is to be utilized, a
37 notice-to-owner statement which shall describe, in nontechnical
38 language and in a clear and coherent manner using words with
39 common and everyday meaning, the pertinent provisions of this
40 state's mechanics' lien laws and the rights and responsibilities of

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

5 (9) For agreements entered into on or after January 1, 2017, that
6 include an automatic renewal provision renewing the agreement
7 for a period of more than one month, a clear and distinct disclosure
8 shall be included separate from the terms and conditions of the
9 agreement advising the consumer that the agreement he or she is
10 entering into contains an automatic renewal provision. The
11 disclosure shall include the length of time of the renewal term and
12 specify that failure to provide notification of nonrenewal to the
13 licensee, as required in the agreement, will result in the automatic
14 renewal of the agreement. The consumer shall acknowledge being
15 advised of the automatic renewal provision by signing or initialing
16 the disclosure. The disclosure may be included on the same
17 document as the three-day right to cancel form required by Section
18 1689.7 of the Civil Code. The automatic renewal provision shall
19 be void and invalid without a separate acknowledgment of the
20 disclosure by the consumer.

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

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

31 (B) If the payment schedule contained in the agreement provides
32 for a downpayment to be paid to the licensee by the owner or the
33 tenant before commencement of the work, that downpayment shall
34 not exceed one thousand dollars (\$1,000) or 10 percent of the
35 contract price, excluding finance charges, whichever is the lesser.

36 (C) In no event shall the payment schedule provide that the
37 licensee receive, nor shall the licensee actually receive, payment
38 in excess of 100 percent of the value of the work performed on
39 the project at any time, excluding finance charges, except that the
40 licensee may receive an initial downpayment authorized by

1 ~~paragraph (2)~~: *subparagraph (B)*. A failure by the licensee, without
2 legal excuse, to substantially commence work within 20 days of
3 the approximate date specified in the contract when work is to
4 commence, shall postpone the next succeeding payment to the
5 licensee for that period of time equivalent to the time between
6 when substantial commencement was to have occurred and when
7 it did occur.

8 (D) A notice-to-owner statement which shall describe, in
9 nontechnical language and in a clear and coherent manner using
10 words with common and everyday meaning, the pertinent
11 provisions of this state's mechanics' lien laws and the rights and
12 responsibilities of an owner of property and a contractor thereunder,
13 including the provisions relating to the filing of a contract
14 concerning a work of improvement with the county recorder and
15 the recording in the office of a contractor's payment bond for
16 private work.

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

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

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

26 (H) This section shall not be construed to prohibit the parties
27 to a residential alarm system sale contract from agreeing to a
28 contract or account subject to Chapter 1 (commencing with Section
29 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

30 (b) A violation of this section or failure to commence work
31 pursuant to subparagraph (F) of paragraph (10) of subdivision (a)
32 may result in a fine of one hundred dollars (\$100) for the first
33 violation and a fine of five hundred dollars (\$500) for each
34 subsequent violation.

35 SEC. 74. Section 7599.59 of the Business and Professions
36 Code is amended to read:

37 7599.59. The director may assess administrative fines of fifty
38 dollars (\$50) against any licensee, qualified certificate holder,
39 firearms qualification card holder, or registrant for each violation

1 for failure to notify the bureau within 30 days of any change of
2 residence or business address.

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

6

7

Article 15. Review

8

9 7599.80. Notwithstanding any other law, the powers and duties
10 of the bureau, as set forth in this chapter, shall be subject to review
11 by the appropriate policy committees of the Legislature. The review
12 shall be performed as if this chapter were scheduled to be repealed
13 as of January 1, 2020.

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

16 10050. (a) (1) There is in the Department of Consumer Affairs
17 a Bureau of Real Estate, the chief officer of which bureau is named
18 the Real Estate Commissioner.

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

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

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

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

34 10177. The commissioner may suspend or revoke the license
35 of a real estate licensee, delay the renewal of a license of a real
36 estate licensee, or deny the issuance of a license to an applicant,
37 who has done any of the following, or may suspend or revoke the
38 license of a corporation, delay the renewal of a license of a
39 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, ~~upon receipt of the certified copy of the~~
21 ~~entered plea, if after a hearing conducted pursuant to Section 10100~~
22 ~~before an administrative law judge from the Office of~~
23 ~~Administrative Hearings, it is determined that the licensee has~~
24 ~~entered a guilty plea to a felony or crime substantially related to~~
25 ~~the qualifications, functions, or duties of a real estate licensee, the~~
26 ~~commissioner may suspend the license or endorsement of the~~
27 ~~bureau until the time for appeal has elapsed, if no appeal has been~~
28 ~~taken, or until the judgment of conviction has been affirmed on~~
29 ~~appeal or has otherwise become final, and until further order of~~
30 ~~the bureau. The commission may suspend the license of a real~~
31 ~~estate licensee upon the entry by the licensee of a guilty plea to~~
32 ~~any of the crimes described in paragraph (1). If the guilty plea is~~
33 ~~withdrawn, the suspension shall be rescinded and the license~~
34 ~~reinstated to its status prior to the suspension. The bureau shall~~
35 ~~notify a person whose license is subject to suspension pursuant to~~
36 ~~this paragraph of his or her right to have the issue of the~~
37 ~~suspension heard 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. 78. Section 11301 of the Business and Professions Code
20 is amended to read:

21 11301. (a) (1) There is hereby created within the Department
22 of Consumer Affairs a Bureau of Real Estate Appraisers to
23 administer and enforce this part.

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

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

32 SEC. 79. Section 11320 of the Business and Professions Code
33 is amended to read:

34 11320. No person shall engage in federally related real estate
35 appraisal activity governed by this part or assume or use the title
36 of or any title designation or abbreviation as a licensed appraiser
37 in this state without an active license as defined in Section 11302.
38 Any person who willfully violates this provision is guilty of a
39 public offense punishable by imprisonment pursuant to subdivision
40 (h) of Section 1170 of the Penal Code, or in a county jail for not

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

8 SEC. 80. Section 11328 of the Business and Professions Code
9 is amended to read:

10 11328. To substantiate documentation of appraisal experience,
11 or to facilitate the investigation of illegal or unethical activities by
12 a licensee, applicant, or other person acting in a capacity that
13 requires a license, that licensee, applicant, or person shall, upon
14 the request of the director, submit copies of the engagement letters,
15 appraisals, or any work product which is addressed by the Uniform
16 Standards of Professional Appraisal Practice, and all supporting
17 documentation and data to the office. This material shall be
18 confidential in accordance with the confidentiality provisions of
19 the Uniform Standards of Professional Appraisal Practice.

20 SEC. 81. Section 11340 of the Business and Professions Code
21 is amended to read:

22 11340. The director shall adopt regulations governing the
23 process and the procedure of applying for a license which shall
24 include, but not be limited to, necessary experience or education,
25 equivalency, and minimum requirements of the Appraisal
26 Foundation, if any.

27 (a) For purposes of the educational background requirements
28 established under this section, the director shall do both of the
29 following:

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

34 (2) Require the completion of a course on state and federal laws
35 regulating the appraisal profession, as approved by the bureau
36 every two years. The course shall include an examination that
37 requires an applicant to demonstrate the applicant’s knowledge of
38 those laws.

39 (b) For the purpose of implementing and applying this section,
40 the director shall prescribe by regulation “equivalent courses” and

1 “equivalent experience.” The experience of employees of an
2 assessor’s office or of the State Board of Equalization in setting
3 forth opinions of value of real property for tax purposes shall be
4 deemed equivalent to experience in federally related real estate
5 appraisal activity. Notwithstanding any other law, a holder of a
6 valid real estate broker license shall be deemed to have completed
7 appraisal license application experience requirements upon proof
8 that he or she has accumulated 1,000 hours of experience in the
9 valuation of real property.

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

19 (d) In evaluating the experience of any applicant for a license,
20 regardless of the number of hours required of that applicant, the
21 director shall apply the same standards to the experience of all
22 applicants.

23 (e) No license shall be issued to an applicant who is less than
24 18 years of age.

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

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