

ASSEMBLY BILL

No. 2659

**Introduced by Assembly Members Tran and Fuller
(Principal coauthors: Assembly Members Conway, Emmerson,
Knight, and Logue)**

February 19, 2010

An act to add Part 14 (commencing with Section 15987) to Division 3 of Title 2 of the Government Code, relating to business licensing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2659, as introduced, Tran. Business licensing: Business Master License Center.

Under existing law, businesses are required to obtain various licenses from regulatory agencies. Existing law also requires state agencies to take specified actions, including, but not limited to, designating a small business liaison, to assist small businesses achieve compliance with statutory and regulatory requirements.

This bill would create the Business Master License Center, which would have prescribed duties, including, but not limited to, developing and administering a computerized one-stop master license system capable of storing, retrieving, and exchanging license information, as well as issuing and renewing master licenses, as specified. The bill would permit the Governor to appoint a 3rd-party facilitator from the business community, to provide oversight over the creation of the center and the development of its master license system.

This bill would charge license applicants, in addition to any other fees or deposits required to obtain a particular license, a master license administrative fee in specified amounts, to be deposited into the Master License Fund, which this bill would create. This bill would require that

the moneys in the fund, upon appropriation by the Legislature, be used only to administer the Business Master License Center.

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

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

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

3 (a) The number of state licenses required for new businesses
4 and the renewal of existing licenses place an undue burden on
5 business.

6 (b) The state can reduce its costs by coordinating and
7 consolidating application forms, information, and licenses.

8 (c) By creating the Business Master License Center, the
9 Legislature intends to provide a convenient, accessible, and timely
10 one-stop system for the business community to acquire and
11 maintain the necessary state licenses to conduct business.

12 SEC. 2. Part 14 (commencing with Section 15987) is added to
13 Division 3 of Title 2 of the Government Code, to read:

14

15 PART 14. BUSINESS MASTER LICENSE CENTER

16

17 15987. This part shall be known, and may be cited, as the
18 Business Master Licensing System Act.

19 15987.1. As used in this part, the following words shall have
20 the following meanings:

21 (a) “Business Master License Center” and “center” mean the
22 business registration and licensing center established by this part
23 and located in and under the administrative control of the State
24 and Consumer Services Agency.

25 (b) “License” means the whole or part of any agency permit,
26 license, certificate, approval, registration, charter, or any form or
27 permission required by law, including agency regulation, to engage
28 in any business activity.

29 (c) “Master application” means a document incorporating
30 pertinent data from existing applications for licenses covered under
31 this part.

32 (d) “Master license” means the single document designed for
33 public display issued by the Business Master License Center which

1 certifies state agency license approval and which incorporates the
2 endorsements for individual licenses included in the master license
3 system, which the state requires for any person subject to this part.

4 (e) "Person" means any individual, sole proprietorship,
5 partnership, association, cooperative, corporation, nonprofit
6 organization, state or local government agency, and any other
7 organization required to register with the state to do business in
8 the state and to obtain one or more licenses from the state or any
9 of its agencies.

10 (f) "Regulatory agency" means any state agency, board,
11 commission, or division which regulates one or more professions,
12 occupations, industries, businesses, or activities.

13 (g) "Renewal application" means a document used to collect
14 pertinent data for renewal of licenses covered under this chapter.

15 (h) "System" means the mechanism by which master licenses
16 are issued and renewed, license and regulatory information is
17 disseminated, and account data is exchanged by the agencies.

18 15987.2. (a) There is created within the State and Consumer
19 Services Agency a Business Master License Center.

20 (b) The duties of the center shall include, but not be limited to,
21 all of the following:

22 (1) Developing and administering a computerized one-stop
23 master license system capable of storing, retrieving, and
24 exchanging license information, as well as issuing and renewing
25 master licenses in an efficient manner.

26 (2) Developing and administering, as part of the master license
27 system, a uniform business identification number for each
28 participating business that shall be recognized by each participating
29 agency.

30 (3) Providing a license information service detailing
31 requirements to establish or engage in business in this state.

32 (4) Providing for staggered master license renewal.

33 (5) Identifying types of licenses appropriate for inclusion in the
34 master license system.

35 (6) Recommending in reports to the Governor and the
36 Legislature the elimination, consolidation, or other modification
37 of duplicative, ineffective, or inefficient licensing or inspection
38 requirements.

39 (7) Incorporating licenses into the master license system.

1 (8) Working with other regulatory agencies to develop a system
2 that permits participating agencies to share information generated
3 from the master license system.

4 (c) The Secretary of State and Consumer Services may adopt
5 regulations, in accordance with the Administrative Procedure Act
6 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
7 Division 3 of Title 2, as may be necessary to effectuate the
8 purposes of this part.

9 15987.3. (a) The center shall compile information regarding
10 the regulatory programs associated with each of the licenses
11 obtainable under the master license system. This information shall
12 include, at a minimum, a listing of the statutes and administrative
13 regulations requiring the licenses and pertaining to the regulatory
14 programs that are directly related to the licensure.

15 (b) The center shall provide information governed by this section
16 to any person requesting it. Materials issued by the center
17 describing the services provided by the center shall indicate that
18 this information is available upon request.

19 15987.4. The following agencies shall participate fully in the
20 implementation of this part:

- 21 (a) California Environmental Protection Agency.
- 22 (b) Department of Alcoholic Beverage Control.
- 23 (c) Department of Consumer Affairs.
- 24 (d) Department of Corporations.
- 25 (e) Department of Fair Employment and Housing.
- 26 (f) Department of Fish and Game.
- 27 (g) Department of Food and Agriculture.
- 28 (h) Department of Industrial Relations.
- 29 (i) Department of Motor Vehicles.
- 30 (j) Department of Parks and Recreation.
- 31 (k) Department of Pesticide Regulation.
- 32 (l) Department of Toxic Substances Control.
- 33 (m) Department of Transportation.
- 34 (n) Employment Development Department.
- 35 (o) Franchise Tax Board.
- 36 (p) Secretary of State.
- 37 (q) State Board of Equalization.
- 38 (r) State Department of Health Care Services.
- 39 (s) Any other agency that the secretary determines has licensing
40 authority that is consistent with the purposes of this part.

1 15987.5. (a) A person requiring a license that has been
2 incorporated into the system shall submit a master application to
3 the center requesting the issuance of the required licenses. The
4 master application form shall contain, in consolidated form, the
5 information necessary for the issuance of the licenses.

6 (b) The applicant shall include with the application the sum of
7 all fees and deposits required for each requested license and the
8 master license administrative fee imposed pursuant to Section
9 15987.6.

10 (c) Regardless of any authority delegated to the State and
11 Consumer Services Agency to implement this part, the authority
12 for approving issuance and renewal of a requested license that
13 requires a prelicensing or renewal investigation, inspection, testing,
14 or any discretionary judgmental review by the regulatory agency
15 otherwise legally authorized to issue the license, shall remain with
16 that agency. The center may issue those licenses for which proper
17 fee payment and a completed application form have been received
18 and for which no prelicensing or renewal approval action is
19 required by the regulatory agency.

20 (d) Upon receipt of the application and proper fee payment for
21 any license for which issuance is subject to regulatory agency
22 action pursuant to subdivision (c), the center shall immediately
23 notify the regulatory agency with authority to approve issuance or
24 renewal of the license requested by the applicant. Each regulatory
25 agency shall, within a reasonable time after receiving the notice,
26 advise the center of one of the following:

27 (1) That the agency approves the issuance of the requested
28 license and will advise the applicant of any specific conditions
29 required for issuing the license.

30 (2) That the agency denies the issuance of the license and will
31 provide the applicant reasons for the denial.

32 (3) That the application is pending with the agency.

33 (e) The center shall issue a master license endorsed for all the
34 approved licenses to the applicant and advise the applicant of the
35 status of other requested licenses. It is the responsibility of the
36 applicant to contest a decision regarding conditions imposed on
37 licenses denied through the normal process established by statute
38 or by the agency with the authority for approving issuance of the
39 license.

(f) Regulatory agencies shall be provided information from the master application for their licensing and regulatory functions.

15987.6. (a) The Master License Fund is hereby created in the State Treasury. The administrative fees imposed pursuant to subdivision (b) shall be deposited into the fund and, upon appropriation by the Legislature, shall be used only to administer the Business Master License Center.

(b) The center shall collect a master license administrative fee of fifteen dollars (\$15) on each master application and a master license administrative fee of nine dollars (\$9) on each master renewal application. The entire master license administrative fee shall be deposited in the Master License Fund.

(c) Any license fee collected under the master license system, except for the master license administrative fee imposed pursuant to subdivision (b), that is imposed by the authorizing agency that approves the license, shall be deposited with the Treasurer. Upon issuance or renewal of the master license, the Treasurer shall allocate the fees to the appropriate accounts, pursuant to the applicable statutes, for those agencies' licenses.

15987.7. (a) The center shall assign an expiration date for each master license. All renewable licenses endorsed on that master license shall expire on that date. License fees shall be prorated to accommodate the staggering of expiration dates.

(b) All renewable licenses endorsed on a master license shall be renewed by the center under conditions originally imposed unless a regulatory agency advises the center of conditions or denials to be imposed before the endorsement is renewed.

15987.8. The center shall not issue or renew a master license to a person if any of the following occur:

(a) The person does not have a valid tax registration, if required.

(b) The person is a corporation delinquent in fees or penalties owing to the Secretary of State.

(c) The person is not validly registered under any statute giving corporate or business licensing responsibilities to the Secretary of State.

(d) The person has not submitted the sum of all fees and deposits required for the requested individual license endorsements and the master license administrative fee imposed pursuant to Section 15987.6.

1 15987.9. The Governor may appoint a third-party facilitator
2 from the business community, who shall report directly to, and
3 serve at the pleasure of, the Governor. The facilitator shall provide
4 oversight over the creation of the center and the development of
5 its master license system.

6 15987.10. A valid license already in effect prior to the effective
7 of the act adding this subdivision need not be registered under the
8 master license system until the renewal or expiration date of that
9 license.

10 15987.11. Nothing in this part shall be construed to eliminate
11 or reduce the authority of an agency that is legally authorized to
12 issue a license from determining if a requested license shall be
13 issued.