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California State Assembly

BUSINESS AND PROFESSIONS

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AGENDA

Tuesday, April 21, 2026
9 a.m. -- 1021 O Street, Room 1100

BILLS HEARD IN FILE ORDER

	1.	AB 1693	Zbur	Accelerated retailer building plan approval: tenant improvements.
	2.	AB 1739	Ward	Healing arts: sexual exploitation: clergy.
	3.	AB 1796	Jackson	Licensed Professional Interior Designer Practice Act.
*	4.	AB 1915	Gabriel	Accelerated restaurant equipment permitting approval: retail food safety.
	5.	AB 1952	Berman	Dentistry: dental hygienists: licensure.
	6.	AB 2010	Soria	Veterinary medicine: veterinary surgery premises: spay and neuter services.
	7.	AB 2195	Celeste Rodriguez	Child support: license suspensions.
	8.	AB 2311	Schiavo	Health care districts: employment.
	9.	AB 2386	Alvarez	License to practice medicine: Licensed Physicians from Mexico Program and California Physician Expansion Act.
	10.	AB 2398	Alvarez	Practice of medicine: Physician Graduate License Act.
*	11.	AB 2435	Chen	Land surveyors: practice without authorization: penalties.
*	12.	AB 2485	Ahrens	Bureau of Security and Investigative Services: private investigators: client service agreements.
	13.	AB 2497	Johnson	Physical therapists.
	14.	AB 2697	Pellerin	Cannabis: drive-throughs.
	15.	AB 2771	Business and Professions	California Private Postsecondary Education Act of 2009.
*	16.	AB 2772	Business and Professions	Professions and vocations: interior designers: public protection.
	17.	AB 2773	Business and Professions	California Board of Occupational Therapy: licensing: fees.
	18.	AB 2774	Business and Professions	Physical Therapy Board of California.
	19.	AB 2775	Business and Professions	State Board of Chiropractic Examiners: chiropractic corporations.

* *Proposed for Consent*

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 1693 (Zbur) – As Introduced February 3, 2026

NOTE: This bill is double-referred and passed the Assembly Local Government Committee on April 15, 2026, on a 10-0-0 vote.

SUBJECT: Accelerated retailer building plan approval: tenant improvements.

SUMMARY: Requires a local building department to allow a "qualified professional certifier," as specified, to certify compliance with appliance building, health, and safety codes for a tenant improvement plan related to a retailer, as defined, and requires the local building department to approve or deny the permit application within 20 business days.

EXISTING LAW:

1) Establishes the Architects Practice Act to regulate the practice of architecture in California. (Business and Professions Code (BPC) § 5501 *et seq.*)

2) Establishes the California Architects Board (CAB) within the Department of Consumer Affairs (DCA) to administer the Architects Practice Act until January 1, 2029. (BPC § 5510)

3) Defines "architect" as a person who is licensed to practice architecture in this state. (Business and Professions Code (BPC) § 5500)

4) Provides for the regulation of professional engineering in California under the Professional Engineers Act. (BPC § 6700 *et seq*.)

5) Establishes the Board for Professional Engineers, Land Surveyors, and Geologists (BPELSG) within the DCA to administer the Professional Engineers Act until January 1, 2029. (BPC §§ 6710 *et seq*.)

6) Defines a "professional engineer" as a person engaged in the professional practice of rendering service or creative work requiring education, training, and experience in engineering sciences and the application of special knowledge of the mathematical, physical, and engineering sciences in such professional or creative work as consultation, investigation, evaluation, planning or design of public or private utilities, structures, machines, processes, circuits, buildings, equipment or projects, and supervision of construction to secure compliance with specifications and design for any such work. (BPC § 6701)

7) Establishes the Permit Streamlining Act, which, among other things, establishes time limits within which state and local government agencies must either approve or disapprove permits authorizing a development. (Government Code (GOV) §§ 65920–65964.5)

8) Establishes the California Building Standards Commission (CBSC) within the Department of General Services and requires the CBSC to administer the processes related to the adoption, approval, publication, and implementation of California's building codes, which serve as the basis for the design and construction of buildings in California. (Health and Safety Code (HSC) §§ 18901 *et seq.)*

9) Allows the governing body of a local agency to authorize its enforcement agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions, as specified. (Health and Safety Code (HSC) § 19837)

10) Requires a local agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions upon the request of an applicant for a nonresidential permit for the remodeling or tenant improvements of a building, as specified, where there is an "excessive delay" in checking the plans and specifications that are submitted as a part of the application. (HSC § 19837)

11) Defines, for a nonresidential permit for a building other than a hotel or motel that is three stories or less, "excessive delay" to mean the building department or building division of the local agency has taken more than 50 days after submitting a complete application to complete the structural building safety plan check of the applicant's set of plans and specifications that are suitable for checking. (HSC § 19837)

12) Defines "Qualified professional certifier" to mean a licensed architect or engineer who meets both of the following conditions:

    a) Has at least five years of experience in commercial building design or plan review.

    b) Maintains professional liability insurance in an amount not less than two million dollars ($2,000,000) per occurrence.

    (GOV § 66345.1(a))

13) Defines "restaurant" to mean a retail food establishment that prepares, serves, and vends food directly to the consumer and is not a fast food restaurant. (GOV § 66345.1(b))

14) Defines "tenant improvement" as a change to the interior of an existing building. (GOV § 66345.1(c))

15) Requires a local building department to allow, upon request from an applicant for a permit for a tenant improvement relating to a restaurant, a qualified professional certifier to certify, at the applicant's expense, compliance with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the California Building Standards Commission and local building standards, for the tenant improvement. (GOV § 66345.2(a)(1))

16) Requires a certified tenant improvement relating to a restaurant to comply with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the California Building Standards Commission and local building standards, in effect at the time the application for a permit is submitted. (GOV § 66345.1(a)(2))

17) Requires a qualified professional certifier to prepare an affidavit, under penalty of perjury, attesting that the tenant improvement plans and specifications comply with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the California Building Standards Commission and local building standards. (GOV § 66345.1(b)(1)(A))

18) Requires a qualified professional certifier or the applicant to prepare an affidavit, under penalty of perjury, attesting that the restaurant for which the tenant improvement is constructed meets the definition of "restaurant." (GOV § 66345.1(b)(1)(B))

19) Provides that a qualified professional certifier making any false statement in a certification constitutes grounds for disciplinary action. (BPC §§ 5586.5 and 6775(g))

20) Requires the local building department to approve or deny the application within 20 business days of receiving a complete application, including the affidavits specified above. If the local building department does not approve or deny the application within 20 business days of receiving a complete application, including the affidavits, a certified plan shall be deemed approved for permitting purposes, provided that all fees and required documents have been submitted. (GOV § 66345.1(b)(1)-(2))

21) Specifies that if a complete application is denied within the 20-business-day period, the applicant may resubmit corrected plans addressing the deficiencies identified in the initial denial. The local building department's review of each subsequent resubmission shall be limited to correcting the deficiencies identified in the initial denial. The local building department shall approve or deny each subsequent resubmission within 10 business days of receipt. (GOV § 66345.1(b)(4))

22) Requires each local building department to conduct a random audit of no less than 20 percent of all tenant improvements submitted per week for certification, as specified. (GOV § 66345.1(c))

23) Provides that certification does not exempt a tenant improvement from other mandatory construction inspections, including, but not limited to, fire, health, and structural inspections conducted during or after construction. (GOV § 66345.1(d)(1))

24) Specifies that any false statement in a certification submission made is grounds for disciplinary action by the CAB or the BPELSG, and Geologists, as applicable. (GOV § 66345.1(e))

25) Authorizes a city or county to adopt, by ordinance, additional qualifications or requirements for a qualified professional certifier, including, but not limited to, any of the following:

    a) A requirement to register with the city or county prior to certifying plans.

    b) Training requirements that must be completed prior to certifying plans.

    c) Payment of fees, as specified.

    d) Penalties that may include decertification as a qualified professional certifier in that jurisdiction or reasonable administrative fines for either of the following:

        i) Willful noncompliance with the requirements of this chapter.

        ii) Two or more instances in which the qualified professional certifier attested to certifying noncompliant plans.

26) Provides that a local building department may charge permit fees for applications utilizing a qualified professional certifier. (GOV 66345.3)

27) Makes qualified professional certifiers liable for any damages arising from negligent plan review. (GOV 66345.4(a))

28) Requires the applicant to indemnify the local agency from any property damage or personal injury arising from construction. (GOV 66345.4(b))

29) Provides that a public entity or public employee is not liable for an injury caused by their discretionary or ministerial acts or omissions relating to the issuance or denial of any permit. (GOV 66345.4(c))

THIS BILL:

1) Requires, notwithstanding any other law, a local building department to allow, upon request from an applicant for a permit for a tenant improvement relating to a retailer, a qualified professional certifier to certify, at the applicant's expense, compliance with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the California Building Standards Commission (CBSC) and local building standards, for the tenant improvement.

2) Provides that a tenant improvement relating to a retailer certified pursuant to this bill shall comply with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the California Building Standards Commission and local building standards, in effect at the time the application for a permit is submitted.

3) Requires a qualified professional certifier to prepare an affidavit, under penalty of perjury, attesting that the tenant improvement plans and specifications comply with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the CBSC and local building standards.

4) Requires a qualified professional certifier or the applicant to prepare an affidavit, under penalty of perjury, attesting that the retailer for which the tenant improvement is constructed meets the requirements of the definition of "retailer" as provided pursuant to this bill.

5) Requires the local building department to approve or deny the application within 20 business days of receiving a complete application, including the required affidavits.

6) Specifies that, if the local building department does not approve or deny the application within 20 business days of receiving a complete application, including the required affidavits, a certified plan is to be deemed approved for permitting purposes, provided that all fees and required documents have been submitted.

7) Allows, if a complete application is denied within the 20-business-day period described above, the applicant to resubmit corrected plans addressing the deficiencies identified in the initial denial; requires that the local building department's review of each subsequent resubmission be limited to correcting the deficiencies identified in the initial denial, and that the department shall approve or deny each subsequent resubmission within 10 business days of receipt.

8) Requires each local building department to conduct a random audit of no less than 20 percent of all tenant improvements submitted per week for certification under this bill.

9) Requires audits to be initiated within five business days following permit issuance and to include a review of the submitted plans for compliance with all applicable building, health, and safety codes, including, but not limited to, building standards approved by the CBSC and local building standards.

10) Requires, if an audit reveals material noncompliance, the local building department to provide a plan check correction notice within 10 business days of the audit's initiation.

11) Provides that certification under this bill does not exempt a tenant improvement from other mandatory construction inspections, including, but not limited to, fire, health, and structural inspections conducted during or after construction.

12) Requires any false statement in a certification submission made under this bill to be grounds for disciplinary action by the CAB or the BPELSG, as specified.

13) Allows a city or county to adopt, by ordinance, additional qualifications or requirements for a qualified professional certifier, including, but not limited to, any of the following:

    a) A requirement to register with the city or county prior to certifying plans pursuant to this chapter.

    b) Training requirements that must be completed prior to certifying plans pursuant to this chapter.

    c) Payment of fees not to exceed the reasonable cost of implementing this chapter.

    d) Penalties that may include decertification as a qualified professional certifier in that jurisdiction or reasonable administrative fines for either of the following:

        i) Willful noncompliance with the requirements of this chapter.

        ii) Two or more instances in which the qualified professional certifier attested to certifying noncompliant plans pursuant to this chapter.

14) Provides that this bill does not prohibit a local building department from charging permit fees for applications utilizing a qualified professional certifier.

15) Requires qualified professional certifiers to be liable for any damages arising from negligent plan review pursuant to this bill.

16) Requires the applicant to indemnify the local agency from any property damage or personal injury arising from construction permitted pursuant to this bill.

17) Provides that, notwithstanding Section 815.6, a public entity or public employee is not liable for an injury caused by their discretionary or ministerial acts or omissions relating to the issuance or denial of any permit pursuant to this bill.

18) Provides the following definitions for the purposes of this bill:

   a) "Qualified professional certifier" means an architect licensed pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, or a professional engineer licensed pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, who meets both of the following conditions:

      i) Has at least five years of experience in commercial building design or plan review.

      ii) Maintains professional liability insurance in an amount not less than two million dollars ($2,000,000) per occurrence.

   b) "Retailer" means any person who is engaged in the business of making retail sales directly to the general public. "Retailer" does not include a retail food establishment that prepares, serves, or vends food directly to the consumer, or a fast food restaurant, as specified.

   c) "Tenant improvement" means a change to the interior of an existing building.

19) Finds and declares that retailers' role in the state's economy and tourism industry is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Section 3 of this act adding Chapter 15 (commencing with Section 66350) to Division 1 of Title 7 of the Government Code applies to all cities, including charter cities.

20) Provides that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill or because costs that may be incurred by a local agency or school district will be incurred because this bill creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *California Retailers Association* and the *Westside Council of Chambers of Commerce.* According to the author:

> Brick-and-mortar retailers are essential to vibrant neighborhoods and local economic recovery, but too often businesses—especially small and family-owned ones—face months-long permitting delays just to make interior improvements to existing buildings. Those delays hurt workers, communities, and commercial corridors still recovering from the pandemic, recent fires, and prolonged vacancies. AB 1693 offers a commonsense solution. For interior improvement projects, it allows licensed architects or engineers to certify that plans meet all building and safety codes, while requiring local governments to act on complete applications within clear, predictable timelines—with full oversight

intact. At a time when retailers are competing with online shopping and navigating real economic challenges, we owe them a permitting process that is fair, efficient, and predictable.

Background.

California Building Standards Code. The California Building Standards Code (Cal. Code Regs., Title 24) regulates the design, construction, quality of materials, use and occupancy, location, and maintenance of all buildings and structures in the state, and includes standards for building safety (the Building Code), fire safety standards (the Fire Code), energy efficiency standards (the Energy Code), and standards for green buildings (CalGreen). The 2025 Building Standards Code took effect on January 1, 2026. Improvements to existing buildings must comply with the current standards and may trigger additional code updates for other parts of the building. Local building departments and enforcement agencies enforce the California Building Standards Code.

Building Permit Process. Retailers may be required to obtain various permits from the local building department prior to constructing or modifying a building. Local building departments enforce state and local building standards and zoning laws and are responsible for evaluating plans for compliance. Building departments may contract with a private entity to provide plan-checking services. The Permit Streamlining Act requires public agencies to determine within 30 days whether development project applications are complete or require additional information. Applications that are not approved or rejected within 30 days are approved by default. Once entitled (i.e., approved), applicants are required to obtain a range of non-discretionary post-entitlement permits, including building, health, and safety permits, that are not subject to the timelines established by the Permit Streamlining Act. Tenant improvements may or may not require discretionary permits, subject to the Permit Streamlining Act, but are still required to obtain post-entitlement permits.

Existing law requires a local building department or permitting agency to contract with or employ a private entity or persons on a temporary basis to perform plan-checking functions, such as compliance with building, health, and safety codes, upon the request of an applicant when there is an "excessive delay" in checking the applicant's plans and specifications. For a nonresidential permit for the remodeling or tenant improvements of a building, excessive delay generally means the local building department has taken more than 50 days after receiving a complete application to complete the structural building safety plan check. "Excessive delay" can also be claimed if the agency takes more than 60 days to check the initial application and check resubmitted corrected plans and specifications after the agency returned the plans to the applicant for correction.

Last year, AB 671 (Wicks and Gabriel), Chapter 470, Statutes of 2025, authorized qualified professional certifiers to self-certify that tenant improvement plans for restaurants comply with all applicable building, health, and safety codes, and required local building departments to approve or reject those plans within 20 days. Plans that are not acted upon within that period are approved by default. This bill authorizes qualified professional certifiers to self-certify tenant improvement plans for retailers, as well. According to the author, this bill will allow family-owned and small businesses to open more quickly and avoid unnecessary costs and delays.

Qualified Professional Certifiers. Consistent with existing law pursuant to AB 671, this bill defines a "qualified professional certifier" as an architect or professional engineer licensed by the

CAB or the BPELSG who has at least five years of experience in commercial building design or plan review and maintains professional liability insurance, as specified.

The CAB is responsible for licensing and regulating architects in California. An applicant for an architect license must be at least 18 years old or the equivalent of a high school graduate, pass the Architect Registration Examination and the California Supplemental Examination, and complete eight years of architectural training and education. Licensed architects must complete continuing education as a condition of license renewal. The California Architects Board is responsible for taking enforcement action against architects and unlicensed individuals who violate the Architects Practice Act. Enforcement action ranges from citations and fines to license revocation.

The BPELSG is responsible for licensing and regulating professional engineers in California. As noted on the Board's website:

> There are three categories of Professional Engineer licensure available in California: (1) practice act, (2) title act, and (3) title authority. The practice acts are Civil, Electrical, and Mechanical Engineering. Practice act means that only a person appropriately licensed with the Board may practice or offer to practice these branches of engineering. The title acts are Agricultural, Chemical, Control Systems, Fire Protection, Industrial, Metallurgical, Nuclear, Petroleum, and Traffic Engineering. Title act means that only a person licensed by the Board in that branch of engineering may use the title in any manner. The title authorities exist for two sub-branches of Civil Engineering: Structural Engineering and Geotechnical Engineering. A title authority indicates a proficiency in that field greater than what is required for Civil Engineering licensure.

There are two pathways to licensure under the Professional Engineers Act; applicants may qualify with six years' engineering work experience or completion of a bachelor's degree in engineering and 12 to 48 months of professional work experience, depending on the highest level of degree completion (e.g., bachelor's or master's) and whether the degree was obtained from a Board-approved school. Applicants for licensure must pass the Fundamentals of Engineering Examination and the Principles and Practice of Engineering Examination administered by the National Council of Examiners for Engineering and Surveying, and/or another examination developed and administered by the Board, depending on the branch of engineering. The Board is empowered to take enforcement action against licensees and individuals engaged in unlicensed practice, ranging from citations and fines to formal discipline, including license revocation.

This bill makes any false statement in a certification submitted to a local building department pursuant to this bill grounds for disciplinary action by the appropriate licensing board.

Current Related Legislation. AB 1915 (Gabriel), as it relates to this bill, would establish a streamlined approval process for local permits for like-for-like equipment installations at restaurants. *AB 1915 is pending in this committee.*

Prior Related Legislation. AB 671 (Wicks and Gabriel), Chapter 470, Statutes of 2025, requires a local building department or permitting department to allow a qualified professional certifier to self-certify that tenant improvement plans relating to a restaurant comply with all applicable building, health, and safety codes, and requires local building departments to approve or reject those plans within 20 days.

ARGUMENTS IN SUPPORT:

As the co-sponsor of this bill, the *California Retailers Association* writes in support:

> [California Retailers Association] members have conveyed to us that permit turnaround times for tenant improvements routinely stretch into multiple months across California counties, with average processing times around 12 weeks and maximums reaching as high as 31 weeks in some jurisdictions. Retailers continue to experience recurring challenges, including extended review periods, multiple rounds of comments, use of third-party reviewers, portal outages, and unanticipated intake requirements. These lengthy review periods significantly delay basic interior buildouts, store openings, and remodels, forcing retailers to carry rent and financing costs for many additional months before they can generate revenue or hire workers. Throughout the state, the retail industry faces unpredictable local permitting processes for tenant improvements that create significant hardship, such as increased project costs, delayed business operations, and stagnant economic activity…This legislation is critical as reducing these permitting delays will promote economic activity within California's small business community while maintaining appropriate safety and compliance standards.

As a co-sponsor of this bill, the *Westside Council of Chambers of Commerce* adds in support:

> [This bill] will help reduce permitting delays for retailers looking to open and renovate their stores and support their operation through a predictable and efficient process. Specifically, the bill permits retailers to hire licensed architects or engineers to certify that tenant improvement plans comply with applicable building, health, and safety codes. Municipal building departments are required to approve or deny permit applications within 20 business days. Additionally, municipalities retain the authority and requirement to conduct audits to ensure accountability and public safety and there are penalties for non-compliance or other misconduct by private certifiers. Like AB 671 which was signed into law last year and created a nearly identical system for restaurants, creating a streamlined, predictable path forward for retailers to open in a timely manner will support a vibrant business community, particularly for small business.

ARGUMENTS IN OPPOSITION:

In opposition, the *California Building Officials* write:

> [This bill] has been composed in a similar "spirit" to last year's AB 671, which we were also unable to support. While we understand that AB 1693 is limited in scope to retail tenant-improvements, in the name of public safety, the person designing the plans should not be the one offering final approval. We appreciate the perimeters and limitations you have outlined with your measure, but self-certification is an unsavory practice that leads to large-scale concerns in the short- and long-term life of a commercial structure. Local jurisdictions, at a minimum, need to offer approvals and assurances that state and local building, fire, and life safety codes have been met. Allowing someone who has been hired to draw plans with an economic incentive for their expedited approval is not a responsible practice – regardless of the scale of the development project.

POLICY ISSUES FOR CONSIDERATION:

Conflict of interest. This bill authorizes licensed professional certifiers to sign off on their own work despite their financial interest in certifying tenant improvement plans.

IMPLEMENTATION ISSUES FOR CONSIDERATION:

Potential for costly errors and delays. Although this bill is intended to expedite the permitting process, retailers may face significant costs and delays downstream to the extent that corrections are necessary after construction has begun or been completed.

Qualifications of a "qualified professional certifier." This bill would allow any licensed architect or professional engineer with at least five years of experience in commercial building design or plan review, and who maintains a $2 million professional liability insurance policy, to submit tenant improvement plans for retailer establishments under this bill. However, what constitutes "commercial building design or plan review" is unclear. Qualified professional certifiers could have vastly different levels of experience due to the vagueness of the criterion. Moreover, it is unclear how local building departments would verify that a qualified professional certifier meets that requirement. Additionally, the author may wish to require the architect or professional engineer to hold a valid license in good standing.

Enforcement. Under this bill, any false statement in a certification submission would be grounds for disciplinary action by the CAB or BPELSG, but neither the licensee nor the local building department is required to notify the appropriate board.

REGISTERED SUPPORT:

California Retailers Association (Co-sponsor)
Westside Council of Chambers of Commerce (Co-sponsor)
California Chamber of Commerce
California Downtown Association
Construction Employers' Association
South Pasadena Residents for Responsible Growth
United Chamber Advocacy Network

REGISTERED OPPOSITION:

California Building Officials

Analysis Prepared by: Kaitlin Curry / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 1739 Ward – As Amended April 16, 2026

NOTE: This bill is double-referred and passed out of the Assembly Public Safety Committee on April 14, 2026, on a 7-1-1 vote.

SUBJECT: Healing arts: sexual exploitation: clergy.

SUMMARY: Makes it a crime for a member of the clergy providing therapeutic services to engage in sexual activity with a current or former patient or client who received therapeutic services, as defined, within two years from the end of the services being provided, except as specified.

EXISTING LAW:

1) Establishes the Department of Consumer Affairs (DCA) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC § 100)

2) Provides for the licensure and regulation of various professions and vocations by boards, bureaus, and other entities within the DCA. (BPC §§ 22, 100-144.5)

3) Regulates the practice of medicine through the licensure of physicians and surgeons under the Medical Practice Act and establishes the Medical Board of California to administer and enforce the Act. (BPC §§ 2000-2529.6)

4) Regulates the practice of psychology through the licensure of psychologists under the Psychology Licensing Law and establishes the Board of Psychology to administer and enforce the Law. (BPC § 2901)

5) Regulates and licenses marriage and family therapists (LMFTs) under the Licensed Marriage and Family Therapist Act, educational psychologists (LEPs) under the Educational Psychologist Practice Act, clinical social workers (LCSWs) under the Clinical Social Worker Practice Act, and professional clinical counselors (LPCCs) under the Licensed Professional Clinical Counselor Act and establishes the Board of Behavioral Sciences to administer and enforces the practice acts. (BPC §§ 4980-4989, 4989.10-4989.70, 4991-4998.5, 4999.10-4999.129, and 4990-4990.42)

6) Establishes the state's role in alleviating issues related to the problematic use of substances under the Department of Health Care Services (DHCS). (Health and Safety Code (HSC) §§ 11760-11872)

7) Defines "alcohol or other drug program" or "program" as a business entity with a physical location in the State of California that provides one or more of the following services to clients: (1) treatment services, (2) recovery services, (3) detoxification services, or (4) medications for addiction treatment; but not a licensed healing arts practitioner. (HSC § 11832.2)

8) Prohibits any person, firm, partnership, association, or local government entity from establishing, operating, managing, conducting, or maintaining an alcohol or other drug program within this state without first obtaining a program certification from the DHCS. (HSC § 11832.7)

9) Grants the DHCS the sole authority in state government to establish the minimum qualifications of an alcohol or other drug program administrator and staff who provide any of the services requiring program certification. (HSC § 11832.10)

10) Prohibits any person, firm, partnership, association, corporation, or local governmental entity from operating, establishing, managing, conducting, or maintaining an alcoholism or drug abuse recovery or treatment facility to provide recovery, treatment, or detoxification services within this state without first obtaining a facility license from the DHCS. (HSC § 11834.30)

11) Grants the DHCS the sole authority in state government to establish the appropriate minimum qualifications of the licensee or designated administrator, and the staff of a provider of any of the services requiring a facility license. (HSC § 11834.27)

12) Grants the DHCS the sole authority in state government to determine the qualifications, including the appropriate skills, education, training, and experience of personnel working within an alcohol or other drug program. (HSC §11833(a))

13) Requires any person providing counseling services within a substance use recovery or treatment program to be registered with, or certified by, a certifying organization approved by the DHCS, except as specified. (HSC §11833(c)(1))

14) Defines "certified AOD counselor" as an individual certified by a certifying organization approved by the DHCS. (California Code of Regulations (CCR), Title 9, § 13005(a)(2))

15) Defines "registrant" as an individual registered with any certifying organization to obtain certification as an AOD counselor. (CCR, tit. 9, § 13005(a)(8))

16) Identifies 10 certifying organizations as DHCS-approved, establishes the method for other certifying organizations to become approved, and establishes the requirements for maintaining approval. (CCR, tit. 9, § 13035)

17) States that the commission of any act of sexual abuse, misconduct, or relations with a patient, client, or customer constitutes unprofessional conduct and grounds for disciplinary action for any person licensed or under any initiative act, as defined. (BPC § 726(a))

18) Provides that the prohibition against sexual exploitation shall not apply to consensual sexual contact between a licensee and his or her spouse or person in an equivalent domestic relationship when that licensee provides medical treatment, other than psychotherapeutic treatment, to his or her spouse or person in an equivalent domestic relationship. (BPC § 726(b))

19) Specifies that any physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor, or any person holding themselves out to be a physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor, who engages in an act

of sexual intercourse, sodomy, oral copulation, or sexual contact with a patient or client, or with a former patient or client when the relationship was terminated primarily for the purpose of engaging in those acts, unless the physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor has referred the patient or client to an independent and objective physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor recommended by a third-party physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor for treatment, is guilty of sexual exploitation by a physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor. (BPC § 729(a))

20) Makes sexual exploitation by a physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor a public offense punishable as follows:

    a) A violation shall be punishable by imprisonment in a county jail for a period of not more than six months, or a fine not exceeding $1,000, or by both that imprisonment and fine.

    b) Multiple violations with a single victim, when the offender has no prior conviction for sexual exploitation, shall be punishable by imprisonment in a county jail for a period of not more than six months, or a fine not exceeding $1,000, or by both that imprisonment and fine.

    c) A violation with two or more victims shall be punishable by imprisonment for a period of 16 months, two years, or three years, and a fine not exceeding $10,000; or the act or acts shall be punishable by imprisonment in a county jail for a period of not more than one year, or a fine not exceeding one thousand dollars $1,000, or by both that imprisonment and fine.

    d) Two or more acts violations with a single victim, when the offender has at least one prior conviction for sexual exploitation, shall be punishable by imprisonment for a period of 16 months, two years, or three years, and a fine not exceeding $10,000; or the act or acts shall be punishable by imprisonment in a county jail for a period of not more than one year, or a fine not exceeding $1,000, or by both that imprisonment and fine.

    e) A violation with two or more victims, and the offender has at least one prior conviction for sexual exploitation, shall be punishable by imprisonment for a period of 16 months, two years, or three years, and a fine not exceeding $10,000.

    (BPC § 729(b)(1)-(5))

21) Specifies that in no instance shall consent of the patient or client be a defense. However, physicians and surgeons shall not be guilty of sexual exploitation for touching any intimate part of a patient or client unless the touching is outside the scope of medical examination and treatment, or the touching is done for sexual gratification. (BPC § 729(b))

22) Defines "psychotherapist" as a physician and surgeon specializing in the practice of psychiatry or practicing psychotherapy; a psychologist, a psychological assistant, a trainee under the supervision of a licensed psychologist, a marriage and family therapist, an

associate marriage and family therapist, a marriage and family therapist trainee, a licensed educational psychologist, a clinical social worker, an associate clinical social worker, a licensed professional clinical counselor, an associate professional clinical counselor, or a clinical counselor trainee. (BPC § 729(c)(1))

23) Defines "alcohol and drug abuse counselor" as an individual who holds themselves out to be an alcohol or drug abuse professional or paraprofessional. (BPC § 729(c)(2))

24) Defines "sexual contact" to mean sexual intercourse or the touching of an intimate part of a patient for the purpose of sexual arousal, gratification, or abuse. (BPC § 729(c)(3))

25) Defines "Intimate part" as the sexual organ, anus, groin, or buttocks of any person, and the breast of a female. (BPC § 729(c)(4))

26) Defines "touching" as physical contact with the skin of another person, whether accomplished directly or through the clothing of the person committing the offense. (BPC § 729(c)(4))

27) Prohibits a person from seeking to obtain disclosure of any confidential files of other patients, clients, or former patients or clients of the physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor during the investigation and prosecution of a violation. (BPC § 729(d))

28) Specifies that this law does not apply to sexual contact between a physician and surgeon and their spouse or person in an equivalent domestic relationship when that physician and surgeon provides medical treatment, other than psychotherapeutic treatment, to their spouse or person in an equivalent domestic relationship. (BPC § 729(e))

29) Provides that if a physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor in a professional partnership or similar group has sexual contact with a patient, another physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor in the partnership or group shall not be subject to action under this section solely because of the occurrence of that sexual contact. (BPC § 729(f))

THIS BILL:

1) Specifies that any member of the clergy providing therapeutic service, or any person holding themselves out to be a member of the clergy providing therapeutic services, who engages in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with a current or former patient, client, or member of the congregation within two years following termination of therapeutic services, when the relationship was terminated primarily for the purpose of engaging in those acts, unless the provider has referred the patient, or client, or member of the congregation to an independent and objective licensed profession or qualified provider of therapeutic services recommended by a third party for treatment, is guilty of sexual exploitation by a member of the clergy.

2) Makes sexual exploitation by a member of the clergy a public offense.

3) Specifies that in no instance shall consent of the member of the congregation be a defense.

4) Expands the definition of "sexual contact" to include sexual intercourse or the touching of an intimate part of a client or member of the congregation for the purpose of sexual arousal, gratification, or abuse.

5) Provides that no person shall seek to obtain disclosure of any confidential files of other current or former members of the congregation of the member of the clergy in the investigation and prosecution of a violation.

6) Specifies that if a member of the clergy in a professional partnership or similar group has contact with a member of the congregation in violation of this bill, another member of the clergy in the partnership or practitioner group shall not be subject to action solely because of the occurrence of that sexual contact.

7) Provides that the law shall not be construed to apply the Psychology License Law to duly ordained members of the recognized clergy, or duly ordained religious practitioners doing work of a psychological nature consistent with the laws governing their respective professions, provided they do not state or imply that they are licensed to practice psychology.

8) Specifies that inclusion of members of the clergy is intended only to convey the intent of the Legislature that members of the clergy perform their functions pursuant to a code of conduct that prohibits sexual contact with members, parishioners, worshipers, adherents, or others and is at least as stringent as the prohibitions described in existing law applicable to physicians and surgeons, psychotherapists, research psychoanalysts, student research psychoanalysts, and alcohol and drug abuse counselors, and to impose similar penalties for violations of that code of conduct.

9) Defines "member of the clergy" as a priest, minister, rabbi, ordained religious practitioner, or similar functionary of a recognized religious organization, and specifies that this term applies only when the clergy member is providing therapeutic services.

10) Defines "therapeutic services" as counseling, mental health guidance, spiritual counseling involving the treatment of emotional, psychological, or behavioral conditions, or other services that are substantially similar in nature to psychotherapy, whether or not the provider is licensed by the state.

11) Reorders definitions.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the author. According to the author:

> [This bill] closes a critical gap in California law by ensuring that clergy who provide therapeutic services are held to the same standards as other counseling professionals. Existing law recognizes that relationships involving mental health guidance or counseling inherently involve a power imbalance that can be exploited, and it appropriately prohibits sexual relationships in those contexts. However, clergy who provide substantially similar therapeutic services are not currently included in these protections. AB 1739 narrowly addresses this issue by applying existing standards only when clergy are acting in a

therapeutic capacity, ensuring consistency in the law while safeguarding individuals seeking guidance during vulnerable moments.

Background.

Psychotherapy Regulation. Psychiatry, psychology, marriage and family therapy, clinical social work, and professional clinical counseling may only be practiced by psychiatrists, psychologists, marriage and family therapists, clinical social workers, and professional clinical counselors licensed by the Medical Board of California, the Osteopathic Medical Board of California, the California Board of Psychology, or the California Board of Behavioral Sciences pursuant to their respective practice acts. A violation of a practice act or the commission of unprofessional conduct is grounds for discipline by the applicable licensing board.

Duly ordained members of the recognized clergy and duly ordained religious practitioners, are exempt from the Psychology Licensing Law, provided that they do not hold themselves out to the public by any title or description of services incorporating the works "psychological," "psychologist," "psychology," "psychometrist," "psychometrics," or "psychometry," or that they do not state or imply that they are licensed to practice psychology. Similarly, the Clinical Social Worker Practice Act authorizes qualified members of other professional groups, including a priest, rabbi, or minister of the gospel of any religious denomination, to do work of a psychosocial nature consistent with the standards and ethics of their respective professions, but prohibits those individuals from holding themselves out to the public by any title or description of services incorporating the words psychosocial, or clinical social worker, or from stating or implying that they are licensed to practice clinical social work. Likewise, neither the Licensed Marriage and Family Therapist Act nor the Licensed Professional Clinical Counselor Act applies to any priest, rabbi, or minister of the gospel of any religious denomination who performs counseling services as part of their pastoral or professional duties.

Drug and Alcohol Abuse Counselors. While state law generally requires a license to practice counseling, substance use counselors, which are not required to be licensed, may provide counseling services in alcohol and drug programs licensed or certified by the Department of Health Care Services (DHCS). Substance use counselors must be registered with or certified by a DHCS-approved certifying organization, of which there are three. Certification requires completion of specified education and professional experience and passage of an examination. The DHCS ensures the provision of quality treatment by enforcing standards for professional and safe care. The DHCS's Licensing and Certification Division investigates complaints against California's alcohol and other drug recovery and treatment programs, as well as violations of the code of conduct of registered or certified alcohol and other drug counselors.

Sexual Exploitation. BPC § 729 makes any physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor, or any person holding themselves out to be one of those occupations, guilty of sexual exploitation if they engage in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with a patient or client, or with a former patient or client when the relationship was terminated primarily for the purpose of engaging in those acts—unless they have referred the patient or client to an independent and objective physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor recommended by a third-party physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor for treatment. Sexual exploitation by a

physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor is a public offense punishable by imprisonment up to three years and/or a fine up to $10,000, as specified. Consent of the patient or client is not a defense. In addition to criminal punishment, any physician and surgeon, psychotherapist, research psychoanalyst, student research psychoanalyst, or alcohol and drug abuse counselor found guilty of sexual exploitation is subject to disciplinary action by the appropriate regulatory entity (e.g., the Medical Board of California).

This bill would expand the crime of sexual exploitation to members of the clergy providing therapeutic services, as defined, who engage in an engage in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with a current or former patient, client, or member of the congregation within two years following termination of therapeutic services, when the relationship was terminated primarily for the purpose of engaging in those acts, unless the provider has referred the patient, or client, or member of the congregation to an independent and objective licensed professional or qualified provider of therapeutic services recommended by a third party for treatment.

These provisions are within the jurisdiction of the Assembly Public Safety Committee, which previously heard this bill.

Current Related Legislation. AB 1598 (Quirk-Silva), as it relates to this bill, clarifies the pastoral counseling exemption in the Marriage and Family Therapist Act, Clinical Social Worker Practice Act, and the Professional Clinical Counselor Act. *That bill is pending in the Assembly Appropriations Committee.*

Prior Related Legislation. SB 894 (Min) would have established a new crime of sexual exploitation that applies when a member of the clergy is in a position of trust or authority over an adult congregant and engages in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with that adult congregant. *That bill died pending a hearing in the Senate Judiciary Committee.*

ARGUMENTS IN SUPPORT:

In support of this bill, *Stand with Survivors* writes:

> This bill extends Business and Professions Code Section 729, which prohibits sexual exploitation by physicians, psychotherapists, and drug and alcohol counselors, to include members of the clergy. Every day that clergy exploitation remains outside this framework, abusers face no criminal accountability specific to their conduct and survivors are denied the legal recognition they deserve…This bill is proportionate and carefully scoped. It does not impose licensing requirements on clergy, regulate religious doctrine, or create vicarious liability for colleagues. It is narrowly targeted at the exploitative act itself, with penalties that mirror existing law: misdemeanor sanctions for single violations, felony accountability for repeat offenders or those with multiple victims. Its declaration that clergy should operate under a code of conduct at least as stringent as licensed healthcare professionals is an entirely reasonable standard for those who present themselves as moral and spiritual authorities.

ARGUMENTS IN OPPOSITION:

In opposition, *ACLU California Action* writes:

> The American Civil Liberties Union California Action must regretfully oppose [this bill], which would make it a crime for a member of the clergy providing "therapeutic services," such as spiritual counseling, to engage in any sexual contact with a member of their congregation, even if the sexual contact is consensual.
>
> This nation has a long history of legislating people's sexual lives, which we have long advocated against as it is a blatant violation of a person's autonomy and privacy. While consensual sexual activity between a clergy person providing spiritual counseling and an adult parishioner may be unadvisable, it does not rise to the level of being a crime. To do so would be massive government overreach into one of the most private and intimate areas in any person's life, in which the government has no business legislating when these acts are consensual.
>
> […]
>
> [This bill] is unnecessary to prevent non-consensual sexual contact between a member of the clergy and an adult parishioner because existing law already criminalizes non-consensual sexual contact between two people, regardless of their relationship. Ultimately, we believe religious congregations can adopt their own rules concerning a clergy member's sexual activity with their congregation. This is a matter best handled by each religious sect, not the government.

IMPLEMENTATION ISSUE(S) FOR CONSIDERATION:

Code Placement. BPC § 729 applies to physicians and other psychotherapists as well as research psychoanalysts and student research psychoanalysts, all of whom are licensees or registrants of the Medical Board of California, the Osteopathic Medical Board of California, the California Board of Psychology, or the California Board of Behavioral Sciences. BPC § 729 also applies to alcohol and drug abuse counselors who work under the supervision of psychotherapists and are required to register with, or be certified by, a certifying organization approved by the Department of Health Care Services. As licensees and registrants, these individuals are subject to enforcement action by the appropriate licensing or certifying entity. In contrast, this bill proposes to add members of the clergy who are not licensed or registered with, or subject to discipline by, a state or state-designated entity. Because the only applicable enforcement mechanism for members of the clergy would be criminal punishment, it would be more appropriate for the prohibition for that group to be contained in the Penal Code.

AMENDMENTS:

In response to the implementation issue identified above, amend the bill as follows:

1) In the title, in line 1, strike out "amend Section 729 of the Business and Professions" and insert:

   add Section 266.6 to the Penal

2) In the title, in line 2, strike out "professions." and insert:

crimes.

3) On page 2, before line 1, insert:

SECTION 1. Section 266.6 is added to the Penal Code, to read:

266.6. (a) A member of the clergy providing therapeutic services, or a person holding themselves out to be a member of the clergy providing therapeutic services, who engages in an act of sexual intercourse, sodomy, oral copulation, or sexual contact with a current or former patient, client, or member of the congregation within two years following termination of therapeutic services, if the relationship was terminated primarily for the purpose of engaging in those acts, unless the provider has referred the patient, or client, or member of the congregation to an independent and objective licensed professional or qualified provider of therapeutic services recommended by a third party for treatment, is guilty of sexual exploitation by a member of the clergy.

(b) Consent is not a defense in a criminal action under this section.

(c) Sexual exploitation by a member of the clergy is a public offense that is punishable as follows:

(1) An act in violation of subdivision (a) is punishable by imprisonment in the county jail for a period not exceeding six months, a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment.

(2) Multiple acts in violation of subdivision (a) with a single victim, if the offender has no prior conviction for sexual exploitation, is punishable by imprisonment in the county jail for a period not exceeding six months, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment.

(3) An act or acts in violation of subdivision (a) with two or more victims is punishable by imprisonment pursuant to subdivision (h) of Section 1170 for a period of 16 months, two years, or three years and by a fine not exceeding ten thousand dollars ($10,000) or by imprisonment in the county jail for a period not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment.

(4) Two or more acts in violation of subdivision (a) with a single victim, if the offender has at least one prior conviction for sexual exploitation, is punishable by imprisonment pursuant to subdivision (h) of Section 1170 for a period of 16 months, two years, or three years and a fine not exceeding ten thousand dollars ($10,000) or by imprisonment in the county jail for a period not exceeding one year, by a fine not exceeding one thousand dollars ($1,000), or by both that fine and imprisonment.

(5) An act or acts in violation of subdivision (a) with two or more victims, if the offender has at least one prior conviction for sexual exploitation, is punishable by imprisonment pursuant to subdivision (h) of Section 1170 for a period of 16 months, two years, or three years and a fine not exceeding ten thousand dollars ($10,000).

(d) As used in this section, the following terms have the following meanings:

(1) “Intimate part” and “touching” have the same meanings as defined in Section 243.4.

(2) “Member of the clergy” means a priest, minister, rabbi, ordained religious practitioner, or similar functionary of a recognized religious organization. This term shall apply under this section only when the clergy member is providing therapeutic services.

(3) “Sexual contact” means sexual intercourse or the touching of an intimate part of a patient, client, or member of the congregation for the purpose of sexual arousal, gratification, or abuse.

(4) “Therapeutic services” means counseling, mental health guidance, spiritual counseling involving the treatment of emotional, psychological, or behavioral conditions, or other services that are substantially similar in nature to psychotherapy, whether or not the provider is licensed by the state.

(e) In the investigation and prosecution of a violation of this section, no person shall seek to obtain disclosure of a confidential file of another current or former patient, client, or member of the congregation of the member of the clergy.

(f) If a member of the clergy in a professional partnership or similar group has sexual contact with a patient, client, or member of the congregation in violation of this section, another member of the clergy in the partnership or practitioner group is not subject to action under this section solely because of the occurrence of that sexual contact.

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

4) On page 2, strike out lines 1 to 21, inclusive, and strike out pages 3 to 6, inclusive

REGISTERED SUPPORT:

Axia Women INC
Consumer Attorneys of California
Epiphany-me Counselling
Prosopon Healing
Safe to Speak Initiative
Sexual Predator Accountability Institute
Survivor’s Network of those Abused by Priests
Stand With Survivors
38 individuals

REGISTERED OPPOSITION:

ACLU California Action
Californians United for a Responsible Budget
Initiate Justice
Smart Justice California

Analysis Prepared by: Kaitlin Curry / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 1796 (Jackson) – As Amended April 16, 2026

SUBJECT: Licensed Professional Interior Designer Practice Act.

SUMMARY: Establishes a new category of licensed professional for interior designers within the California Architects Board (CAB), defines the scope of practice for professional interior design, and expands the membership of the CAB to include a professional interior designer.

EXISTING LAW:

1) Establishes the Department of Consumer Affairs (DCA) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)

2) Enumerates various regulatory boards, bureaus, commissions, and programs under the DCA's jurisdiction. (BPC § 101)

3) Provides that all boards within the DCA are established for the purpose of ensuring that those private businesses and professions deemed to engage in activities which have potential impact upon the public health, safety, and welfare are adequately regulated in order to protect the people of California. (BPC § 101.6)

4) Provides that each board within the DCA exists as a separate unit, and has the functions of setting standards, holding meetings, conducting examinations, reviewing applications, conducting investigations of violations of laws under its jurisdiction, issuing citations and holding hearings for the revocation of licenses, and the imposing of penalties following those hearings, insofar as those powers are given by statute to each respective board. (BPC § 108)

5) Establishes the Professions and Vocations Fund within the State Treasury, consisting of various special funds for each of the boards, bureaus, and other entities within the DCA, and provides that each fund shall be available for expenditure only for the purposes provided by law. (BPC § 205)

6) Establishes the Architects Practice Act to regulate the practice of architecture in California. (BPC §§ 5501 *et seq.)*

7) Defines the practice of architecture as professional services which require the skills of an architect in the planning of sites, and the design, in whole or in part, of buildings, or groups of buildings and structures. (BPC § 5501)

8) Establishes the CAB within the DCA to administer and enforce the Architects Practice Act. (BPC § 5510)

9) Provides that the CAB consists of 10 members, five of whom are architects. (BPC § 5514)

10) Requires the CAB to adopt rules and regulations governing the examination of applicants for licenses to practice architecture in California. (BPC § 5526)

11) Defines the practice of landscape architecture as professional services for the purpose of landscape preservation, development and enhancement, such as consultation, investigation, reconnaissance, research, planning, design, preparation of drawings, construction documents and specifications, and responsible construction observation. (BPC § 5615)

12) Establishes the Landscape Architects Technical Committee (LATC) within the jurisdiction of the CAB. (BPC § 5621)

13) Authorizes the LATC to assist the CAB in the examination of candidates for a landscape architect's license and, after investigation, evaluate and make recommendations regarding potential violations of laws governing the practice of landscape architecture. (BPC § 5622)

14) Declares that protection of the public shall be the highest priority for the CAB and the LATC in exercising their licensing, regulatory, and disciplinary functions. (BPC §§ 5510.1; 5620.1)

15) Defines the practice of a Certified Interior Designer (CID) as the preparation and submission of nonstructural or nonseismic plans to local building departments that are of sufficient complexity so as to require the skills of a licensed contractor to implement them, and the programming, planning, designing, and documenting of the construction and installation of nonstructural or nonseismic elements, finishes and furnishings within the interior spaces of a building. (BPC § 5800(a)

16) Establishes the California Council for Interior Design Certification (CCIDC), a nonprofit organization that consists of CIDs whose governing board includes representatives of the public. (BPC § 5800(b))

17) Provides that a CID may voluntarily obtain a stamp from CCIDC that includes a number that uniquely identifies and bears the name of that CID and identifies the individual as either a CID or a CID with commercial designation. (BPC § 5801)

18) Subjects the procedure for the issuance of a stamp by CCIDC, including the examinations recognized and required by CCIDC, to occupational analyses and examination validation. (BPC § 5801.1)

19) Requires all drawings, specifications, or documents prepared for submission to any government regulatory agency by any CID or under their supervision to be affixed by a stamp and signed by that CID. (BPC § 5802)

20) Exempts CIDs from the Contractors State License Law insofar as they are designing systems for work to be performed by a licensed contractor. (BPC § 5803)

21) Makes it an unfair business practice for any CID or any other person to advertise or put out any sign or card or other device, including any stamp or seal, or to represent to the public through any print or electronic media, that the person is "state certified" to practice interior design, or to use any other words or symbols that represent to the public that the person is so certified. (BPC § 5804)

22) Provides that nothing in the CID title act precludes CIDs or any other person from submitting interior design plans for commercial or residential buildings to local building officials, except as provided. (BPC § 5805)

23) Provides that nothing in the CID title act prohibits interior design or interior decorator services by any person or retail activity. (BPC § 5806)

24) Requires CIDs to use a written contract when contracting to provide interior design services to a client. (BPC § 5807)

25) Provides that the CID title act shall remain in effect only until January 1, 2027, and as of that date is repealed. (BPC § 5810)

26) Requires meetings of CCIDC to comply with the rules of the Bagley-Keene Open Meeting Act and authorizes CCIDC to take reasonable actions to carry out its responsibilities and duties; to adopt bylaws, rules, and procedures necessary to effectuate the purposes of the CID title act; and to establish application fees, renewal fees, and other fees related to the regulatory costs of providing services and carrying out CCIDC's responsibilities and duties. (BPC § 5811)

27) Authorizes CCIDC to issue a certification to any applicant who provides satisfactory evidence that they meet all of the requirements of this chapter and who complies with the bylaws, rules, and procedures established by CCIDC and authorizes CCIDC to issue a commercial designation to a CID or qualified applicant who, in addition to the requirements for a CID, passes additional interior design courses and examinations, as determined to be required by CCIDC. (BPC § 5811.1)

28) Makes it an unfair business practice for any person to represent or hold themselves out as, or to use the title "Certified Interior Designer" or any other term, such as "licensed," "registered," or "CID," that implies or suggests that the person is certified as an interior designer when they do not hold a valid certification from CCIDC. (BPC § 5812)

29) Establishes a "sunrise review" process for the Legislature to evaluate proposals to create any state board or category of licensed professional. (Government Code (GOV) §§ 9148 *et seq.*)

30) Provides that "state board" includes any administrative or regulatory board, commission, committee, council, association, or authority. (GOV § 9148.2)

31) Requires a plan for the establishment and operation of any proposed state board or new category of licensed professional to be developed by the author or sponsor of the legislation prior to consideration by the Legislature, including, but not limited, to all of the following:

    a) A description of the problem that the creation of the specific state board or new category of licensed professional would address, including the specific evidence of need for the state to address the problem.

    b) The reasons why this proposed state board or new category of licensed professional was selected to address this problem, including the full range of alternatives considered and the reason why each of these alternatives was not selected, including no action, the use of a current state board or agency or the existence of a current category of licensed professional to address the problem, existing regulation or administration, and addressing the problem by federal or local agencies.

c) The specific public benefit or harm that would result from the establishment of the proposed state board or new category of licensed professional, the specific manner in which the proposed state board or new category of licensed professional would achieve this benefit, and the specific standards of performance which shall be used in reviewing the subsequent operation of the board or category of licensed professional.

d) The specific source or sources of revenue and funding to be utilized by the proposed state board or new category of licensed professional in achieving its mandate.

e) The necessary data and other information required shall be provided to the Legislature with the initial legislation and forwarded to the policy committees in which the bill will be heard.

(GOV § 9148.4)

THIS BILL:

1) Establishes the Licensed Professional Interior Designer Practice Act.

2) Defines "professional interior design" as offering or furnishing, or being responsible for, or in control of, the planning, design, and oversight of interior spaces, in part or in whole, in buildings and structures in California in a manner complying with generally applicable codes and regulations.

3) Includes within the definition of "professional interior design" any of the following related to interior spaces or environments as part of a construction project:

   a) Investigation, evaluation, consultation, and advice.

   b) The preparation of plans, specifications, documentation, and assistance in the governmental review process related to the functional and aesthetic arrangement of interior spaces, including the preparation of professional interior instruments of service.

   c) The selection and specification of materials, finishes, fixtures, and furniture.

   d) The coordination of the work with technical and special consultants.

   e) The administration of contracts and observation of construction.

4) Excludes from the definition of "professional interior design" any of the following:

   a) The practice of a professional engineer or the practice of a professional land surveyor.

   b) Services that constitute the practice of architecture, except as provided.

   c) Services that constitute the practice of a structural engineer.

   d) Changes to the construction classification of the building or structure according to the California Building Standards Code.

5) Additionally excludes from the definition of "professional interior design" any work that would require structural engineering analysis or would require the licensed professional interior designer to assume responsible control for a building's structural systems, including the lateral force resisting system and the seismic bracing of components and equipment regulated by the authority having jurisdiction through adoption of a building code or other regulations.

6) Expands the membership of the CAB to include one professional interior designer.

7) Vests the CAB with all of the functions, duties, powers, purposes, responsibilities, and jurisdiction concerning the practice of professional interior design under the Licensed Professional Interior Designer Practice Act.

8) Requires the CAB to exercise the following functions, powers, and duties:

   a) Conduct or authorize examinations to ascertain the fitness and qualifications of applicants for licensure and issue a license to those who are found to be fit and qualified.

   b) Prescribe rules and regulations for a method of examination of candidates, with shall include designation of the National Council for Interior Design Qualification (NCIDQ) Examination as the examination for licensure as a professional interior designer.

   c) Conduct hearings on proceedings to revoke, suspend, or refuse to issue licensure.

   d) Promulgate rules and regulations required for the administration of the Licensed Professional Interior Designer Practice Act.

9) Authorizes the CAB to adopt rules and regulations governing the examination of applicants for licenses to practice professional interior design.

10) Requires the CAB to implement the provisions of the Licensed Professional Interior Designer Practice Act no later than July 1, 2028.

11) Authorizes the CAB to create subaccounts within the California Architects Board Fund, as needed, for the purpose of ensuring that moneys within the fund are equitably apportioned among the architect and professional interior design professions and do not exceed the reasonable regulatory costs of the CAB.

12) Requires the CAB to determine eligibility requirements, including, but not limited to, examination and education requirements necessary for licensure pursuant to the Licensed Professional Interior Designer Practice Act.

13) Authorizes the CAB to prescribe relevant continuing educational requirements, taking into account the cost to individual licensed professional interior designers.

14) Authorizes the CAB to determine whether education or training is required for professional interior designers to identify when architectural or engineering services are required and appropriately coordinate with, or refer those services to, licensed professionals authorized to perform them.

15) Provides that it is a misdemeanor, published by up to six months of imprisonment in county jail or a fine of an unspecified amount, for a person to do any of the following without possessing a valid, unrevoked license as a licensed professional interior designer:

    a) Engage in the practice of professional interior design.

    b) Use the titles or terms "licensed professional interior designer" or "licensed professional interior design," or any other titles, words, or abbreviations that would imply or indicate that they are licensed under the Licensed Professional Interior Designer Practice Act.

    c) Use the stamp of a licensed professional interior designer.

    d) Advertise or put out a sign, card, or other device that might indicate to the public that they are a licensed professional interior designer or qualified to engage in the practice of professional interior design.

16) Authorizes a licensed professional interior designer with a valid license to stamp, seal, and submit professional interior instruments of service to the authorities having jurisdiction.

17) Prohibits a licensed professional interior designer from advertising any services that they are not legally permitted to perform, including architecture or engineering services or using the title "architect" in any form.

18) Provides that the Licensed Professional Interior Designer Practice Act does not prevent or restrict any of the following activities:

    a) The employment by a professional interior designer association, partnership, or corporation furnishing interior design services for remuneration of any person who is not a licensed professional interior designer to perform services in various capacities as needed, provided that the person does not represent themselves as, or use the title of, "licensed professional interior designer."

    b) Use of the title "interior designer" on the part of a person not licensed under this chapter, provided that person does not represent themselves as, or use the title of, "licensed professional interior designer."

    c) The practice, services, or activities of any person licensed in this state under any other law who is engaging in the profession or occupation for which they are licensed or otherwise legally permitted to engage in.

    d) Professional services limited to the design of kitchen and bath spaces or the specification of products for kitchen and bath areas in residential settings.

    e) The ability of a licensed professional interior designer to supervise their own projects.

19) Requires a licensed professional interior designer to use a written contract when contracting to provide professional services to a client, except as provided.

20) Requires a written contract to include specified items.

21) Provides that the Licensed Professional Interior Designer Practice Act does not prevent a licensed professional interior designer from forming a business entity or collaborating with persons who are not licensed professional interior designers.

22) Provides that nothing in the Licensed Professional Interior Designer Practice Act precludes any activities listed in the definition of a "certified interior designer" if that person does not represent themselves or their services in any prohibited manner.

23) Exempts professional engineers, land surveyors, architects, and contractors from the Licensed Professional Interior Designer Practice Act with the exception of title protections.

24) Requires any stamp used by a licensed professional interior designer to be of a design authorized by the CAB and to, at a minimum, bear the licensee's name, their license number, the legend "Licensed Professional Interior Designer," and the legend "State of California."

25) Requires a licensed professional interior designer to affix the signature, current date, date of license expiration, and seal to the first sheet of any bound set or loose sheets of professional interior instruments of service.

26) Prohibits a licensed professional interior designer from signing and sealing professional interior instruments of service that were not prepared by or under the responsible control of the licensed professional interior designer, except in specified circumstances.

27) Provides that all professional interior instruments of service submissions intended for use in California shall be prepared and administered in accordance with standards of reasonable professional skill and diligence.

28) Authorizes the CAB to investigate the actions of any licensed professional interior designer, and to suspend or revoke the license of any licensed professional interior designer who is guilty of acts or omissions constituting specified grounds for disciplinary action.

29) Requires a licensed professional interior designer shall report civil action judgments, settlements, arbitration awards, or administrative actions to the CAB.

30) Provides that a license issued to a professional interior designer by the CAB must be renewed biannually.

31) Requires applicants for licensure and licensees to pay fees charged by the CAB which are currently unspecified.

32) Establishes the California Professional Interior Designer Fund within the State Treasury.

33) Repeals CCIDC's authority to issue a CID commercial designation and authorizes CCIDC to issue a professional designation until an undefined date in 2027.

34) Adds licensed professional interior designers to the definition of "design professional" contained within the Civil Code.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *International Interior Design Association*. According to the author:

> AB 1796 would define, license, and regulate the practice of commercial interior design by the California Architects Board (CAB). Our interior design professionals in California reflect the state's diversity, with approximately 78% women, over 20% identifying as LGBTQ+, and 43% identifying as non-white practitioners. However, the profession of interior design is currently unregulated in California's Business and Professions Code, limiting these professionals as the only unlicensed design members on commercial construction projects. The absence of a Practice Act and formal license pathway in California forces commercial interior designers to practice under the oversight of other licensed professionals to engage with any part of the construction industry, like bidding for work, procuring insurance, or submitting drawings to Authorities Having Jurisdiction (AHJs), despite being qualified to perform this work independently. The current system forces designers to relinquish ownership of their work, as they cannot stamp and seal their own drawings for permits. As a result, they do not retain ownership over their intellectual property, limiting economic opportunities for a profession largely composed of women, LGBTQ, and non-white professionals. Furthermore, the lack of state regulation creates gaps in public safety and confusion for consumers regarding the roles, responsibilities, and qualifications of commercial interior designers.

Background.

History of Interior Design Regulation in California. While the phrase "interior design" is commonly associated with decorative services focused exclusively on visual elements such as furniture arrangements or wall colors, professional interior designers utilize considerable technical knowledge to ensure that indoor spaces are safe and functional in addition to aesthetically pleasing. Many interior designers are frequently involved in designing nonstructural interior elements and preparing code-compliant interior plans and documents and often work with building codes, accessibility standards, and contractors. During its most recent sunset review, CCIDC attributed public misconceptions regarding the scope of the interior design profession to the rise in popularity of design-oriented reality television, arguing that media portrayals "oversimplify and misrepresent the complexity and technical expertise required in professional practice."

Interior designers have never been formally licensed in California; however, the profession's scope of work has historically overlapped with services provided by other professionals regulated by licensing entities within the DCA, including engineers, contractors, and architects. The CAB oversees professionals engaged in "the planning of sites, and the design, in whole or in part, of buildings, or groups of buildings and structures." The Board for Professional Engineers, Land Surveyors, and Geologists (BPELSG) licenses professional engineers whose scope of practice includes "consultation, investigation, evaluation, planning or design of public or private utilities, structures, machines, processes, circuits, buildings, equipment or projects, and supervision of construction for the purpose of securing compliance with specifications and design for any such work." Services provided by interior designers are also similar to those within the scope of licensees of the Contractors State License Board (CSLB).

During the 1980s, the design and construction industry was becoming increasingly specialized, with a distinct field of interior design emerging out of the more traditional disciplines of architecture and engineering while incorporating aspects of those state-licensed practices. This overlap in scope of practice created legal, business, and marketing problems for interior designers and their clients, resulting in a dilemma for the CAB and other state regulators and local building officials, who recognized both the similarities and differences between traditional architecture and interior design. Early efforts to regulate interior designers as a distinct profession commenced during this time, beginning in 1983 with SB 530 (Rosenthal), which originally proposed to classify interior designers as home improvement contractors under CSLB and then proposed to establish a State Board of Examiners of Interior Designers within the DCA to provide interior designers with title protection. SB 1502 (Dills) was next introduced in 1984 to establish title protection for interior designers under an advisory board within what is now the Bureau of Household Goods and Services (BHGS); this bill also failed passage in committee.

In 1985, the Legislature enacted SB 790 (Seymour), which revised statutory exemptions to the Architectural Practices Act, in conformity with exemptions to the Professional Engineering Act, to clarify the practice of architecture to allow for unlicensed individual to engage in interior design work to the extent that the work would not affect the safety of any building or its occupants, including structural and seismic considerations. However, local officials remained increasingly reluctant to approve any plans that did not bear the stamp of a state-licensed architect or engineer. According to a survey conducted by the CAB, a majority of the state's 409 local building jurisdictions accepted plans from unlicensed individuals, but many local building officials reportedly interpreted the unclear terms in SB 790 to mean that only licensed professionals could submit plans for building interiors involving any safety considerations, with some interior designers testifying that interior designers had been precluded from submitting plans in approximately 80 local jurisdictions statewide.

In response to this persistent ambiguity, the Legislature enacted SB 354 (Craven) in 1988, an urgency bill which required CSLB to fund a study on the necessity and feasibility of licensing interior designers. SB 354 was sponsored by the California Legislative Conference on Interior Design (CLCID), an organization that was formed to advocate for the interior design profession. SB 354 required a report to be submitted to the Legislature by February 15 of the following year, including findings relating to how the practice of interior design affects the health, safety, and welfare of the public.[1]

The feasibility study, prepared by the California State University – Real Estate & Land Use Institute under an interagency agreement, analyzed data collected through interviews with approximately 100 interior designers, architects, engineers, building officials, and other stakeholders. The report's first finding was that "the interior design profession consists of two groups of professionals performing tasks that can be defined as different for each group," with tasks primarily associated with interior *decorators* involving only minor public health, safety, or welfare concerns while those tasks associated with interior *designers* involving those concerns more significantly. The study recommended that interior decorators be registered by the BHGS. In reference to interior designers, the study concluded:

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[1] "Governor Signs Bill That May Lead to Interior Design Licenses." *Los Angeles Times*, 18 Sept. 1988.

> The results of this research indicate that both groups of interior design professionals defined by this study should be regulated. However, licensing is recommended for interior designers only. Insofar as possible, the licensing procedure should follow the criteria for membership of many of the interior design associations. … The preferred recommendation is that a design state license board consisting of architects, engineers, land surveyors, landscape architects, interior designers, and other design professionals replace the present individual boards. The composition of the board would be proportionate to the number of professionals currently licensed.

The study recommended against including CSLB in the proposed multidisciplinary design board. The study also discussed the possibility of licensing interior designers through the CAB. However, it argued that "although this would be a rational approach in that the interior designers would be licensed with other design professionals, the two professions would have to resolve jurisdictional problems that they have not been able to solve in the past."[2]

SB 153 (Craven) was introduced in 1989 to effectuate the study's recommendations. Sponsored by CLCID, the bill initially proposed to include interior design in the definition of a specialty contractor license under CSLB. On November 14, 1989, the Senate Committee on Business and Professions held an interim hearing on the bill, with testimony from various stakeholders. During the hearing, Senator Joseph B. Montoya, the committee chair, acknowledged that the committee had recently "received a set of three amendments, each of which approaches the regulation of interior designers through a different board." The first set proposed to have CSLB issue certificates of exemption to eligible interior designers; the second set proposed to register interior designers under a committee within the CAB; and the third set proposed to establish a registration unit for interior designers within the DCA. The interim hearing report discussed the deficiencies of each model and recognized "the natural tendency of this administration is to be against creation of any new boards or commissions or expansion thereof."

Shortly after the Legislature reconvened in 1990, SB 153 was amended to provide for a voluntary certification program through a private interior design organization, with statutory protection of terms or titles indicating certification. While less comprehensive than a "Practice Act" administered by a state board, the bill's "Title Act" framework—purportedly modeled after the dieticians' statute under what was then the Department of Health Services—was identified as politically acceptable to Governor George Deukmejian, who signed the bill on July 20, 1990. CLCID and other stakeholders were optimistic that the legislation would result in interior designers again being allowed to submit plans to local building departments.[3]

SB 153 went into effect on January 1, 1991, and CLCID appointed a multidisciplinary task force of interior designers to plan the implementation of the bill. CCIDC was established in January 1992 as a nonprofit corporation, and CCIDC's first board of directors approved bylaws to define classes of certification, govern appointment of new directors, and specify the roles and responsibilities of CCIDC. SB 1028 (Marks) was enacted in 1995 to clarify that the statutory definition of "interior design organization" referred to CCIDC's structure as a nonprofit professional organization of CIDs whose governing board included representatives of the public.

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[2] Place, D. M., Guenther G. Kress, and Charles F. Hohm. *A Study to Determine the Need to License Interior Designers*. California State University – Real Estate & Land Use Institute, 1989.
[3] "Bill Recognizing Designers is OKd." *Los Angeles Times*, 12 Aug. 1990.

The Joint Legislative Sunset Review Committee published its first sunset review of CCIDC in 1996. The committee report discussed 14 serious concerns regarding CCIDC's operations, and the committee ultimately recommended that the interior design certification program be allowed to sunset the following year. The Joint Committee background paper questioned the need for what it described as a "state-sanctioned cartel" to carry out a certification program that any private association could do sufficiently without legislation and scrutinized whether certification was a necessary or appropriate solution to issues with plan acceptance by local officials.

Among other issues raised in the Joint Committee's background paper was the "great potential for confusion and/or misrepresentation by interior designers who use the certification terminology when advertising their services," with some CIDs referring to themselves as "state certified" in a way that implied that a state agency, rather than a private nonprofit corporation, had validated their credentials. The background paper further raised concerns about CCIDC's limited enforcement capability, low exam passage rates for first-time candidates, and a lack of evidence that certification was needed or demanded by the public, among other issues. In the conclusion of its report, the Joint Committee stated:

> In summary, there are general concerns that CCIDC, as a monopolistic private entity, can require membership for purposes of certification, can charge whatever it chooses for certification, and can adopt onerous or discriminatory membership and/or certification criteria. While CCIDCs present program appears to be an exemplary private certification program, there is a concern regarding the future accountability of such programs and organizations.

The provisions of law enacted through SB 153 were allowed to become inoperative on July 1, 1997, consistent with the Joint Committee's recommendation that CCIDC be sunset. However, on August 26, 1997, the Legislature passed an urgency bill, SB 435 (McPherson), which reconstituted the interior design certification program by repealing its inoperative date from statute and extending the repeal date until January 1, 1999. The Governor signed this bill despite opposition from the DCA, which had argued that "there is no new evidence that the unregulated practice of interior design would endanger the health, safety or welfare of the public."

While CCIDC's interior design certification program had been extended by the Legislature, another challenge soon arose when it was announced that three previously distinct building codes would be combined into a unified International Building Code beginning in 2000. Early drafts of this consolidated code, referred to as IBC 2000, included language interpreted to preclude design professionals who were not registered by a state government agency from submitting plans to local building officials. Specifically, language in the final draft contained references to "registered design professionals," which appeared inconsistent with voluntary certification.

In response to the new IBC 2000 requirements, CCIDC itself sponsored AB 1096 (Romero) in 1999 to replace the existing certification program with a registration program under a new Board of Interior Design within the DCA. While CCIDC and CLCID supported the bill as necessary to ensure compliance with IBC 2000, the bill was opposed by both the CAB and BPELSG and their professional associations, along with the DCA, who argued that the bill was ambiguously drafted to resemble a Practice Act rather than a Title Act and that IBC 2000 was not necessarily more restrictive than the prior codes. The Assembly policy committee suggested that the sponsor "seek an opinion from Legislative Counsel or the Attorney General, to determine the extent to which this language constitutes an absolute mandate for state registration of interior designers."

While AB 1096 was passed by the Legislature, the bill was vetoed by Governor Gray Davis, who wrote:

> This bill creates a new regulatory program for an industry where there is no demonstrated consumer harm. The creation of a new regulatory program and a new state agency at a time when the Legislature is eliminating licensing boards and streamlining regulatory programs is inappropriate. Additionally, this bill does not provide for adequate start-up funding and is unclear as to what, if any, consumer protection would be served. Government intervention in a marketplace should be reserved for cases where there is consumer harm.

Not long after the Governor's veto, the Legislative Counsel of California delivered a formal opinion at the request of Senator McPherson as to whether the proposed IBC 2000 requirements would prohibit local building officials from accepting interior design plans from CIDs who were not registered design professionals. The opinion of the Legislative Counsel was that IBC 2000 did *not* prohibit local building officials from accepting interior design plans from unregistered CIDs, because IBC 2000 only required plans to be prepared by registered design professionals when required by state law. Because California did not license or regulate interior designers and allowed CIDs to submit plans to local building officials, the opinion concluded that IBC 2000 would not create any new prohibitions or barriers.[4]

Following several subsequent sunset reviews for CCIDC, SB 1312 (Yee/Calderon) was introduced in 2008 as a new effort to reassign responsibility for overseeing interior designers from CCIDC to a state agency. Initially, the bill proposed to repeal and replace the CAB with a new California Architects and Registered Interior Designers Board within the DCA, whose professional membership would include both licensed architects and registered interior designers. The bill was sponsored by the Interior Design Coalition of California (IDCC) and supported by several national interior design associations, but was opposed by CLCID, the CAB, and the American Institute of Architects, revealing a schism within the design profession regarding its future.

While the sponsor of SB 1312 argued that state oversight of interior designers was insufficient and that IBC 2000 was still likely to disrupt the interior design profession, the Senate Committee on Business, Professions, and Economic Development was skeptical of the purported consumer harm risk raised in the sponsor's sunrise questionnaire and raised concerns about the membership composition of the new board and the potential consequences of imposing new requirements on all practicing interior designers. After the bill passed its policy committee hearing with a recognition that the measure was a "work in progress," it was amended to place interior designers under a new Registered Interior Designers Committee within the existing CAB. The amended bill remained opposed by CLCID and ultimately failed to pass off the Senate Floor.

In 2012, AB 2482 (Ma) was introduced to establish a new California Registered Interior Designers Board within the DCA to license and regulate registered interior designers. While the bill would have established a new licensure category under a state board, later amendments to the bill declared an intent to merely "permit an additional career path" for some interior designers "by providing the opportunity for licensure for those who so choose." The language further declared that "it is not the intent of the Legislature to affect the existing practice of interior design in any way."

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[4] California Legislative Counsel. *Certified Interior Designer*. Opinion no. 6147, 21 Sept. 2000.

One of the central arguments in support of AB 2482 was that California's status as a national outlier in its oversight of interior designers was impairing the profession. Of the 28 states that were believed at the time to provide for some form of regulation of interior design, only California relied on a private organization rather than a state agency. Supporters of the bill also pointed out that while other states required applicants to pass the NCIDQ examination, California had recently transitioned to exclusively requiring all applicants to pass the Interior Design Examination (IDEX) California, an examination developed by CCIDC that was recognized by no other state or the federal government, resulting in barriers to reciprocity and portability. Supporters of the bill also continued to blame the state's private certification scheme for the inconsistent acceptance of plans submitted by CIDs to local building departments.

Despite these arguments, the Assembly policy committee analysis was critical of the bill:

> Similar to the other boards and bureaus under DCA, as drafted, the Board would recognize the public's health, safety and welfare as paramount to its duties. Despite this laudable intent, it is unclear whether the lack of this regulatory board and licensing program therein would constitute tangible harm to the public. It is also unclear if local permitting concerns can be resolved without establishing an entirely new regulatory body.

The analysis further noted that details regarding the construction of the new board membership composition remained blank, which the committee described as "problematic." While AB 2482 was supported by the American Society of Interior Designers and other stakeholders, the proposal for licensure was again opposed by CLCID, the CAB, and the American Institute of Architects, in addition to the Community College League, who raised concerns about the potential impact on the state's community college career and workforce preparation and training programs. AB 2482 died without receiving a policy committee hearing in the Assembly.

There were no further legislative efforts to reform the state's regulation of interior designers prior to CCIDC's sunset review in 2017. The sunset background paper raised several issues about CCIDC and its operations, while recommending that CCIDC's sunset be extended by another four years. One new issue that received substantial discussion was whether a new certification category should be created for commercial interior designers. The sunset background paper noted that an October 2016 report on occupational licensing reform released by the Little Hoover Commission supported this proposal, stating:

> Commercial interior designers, for example often do building code-impacted design work – moving walls that entail electrical, lighting, HVAC and other changes. They design the layout of prisons, where the safety of correctional officers and inmates is on the line. Even though the people performing this commercial work typically have extensive educational and work experience, city and county inspectors do not recognize their unlicensed voluntary credentials. Architects or engineers must sign off on their plans, resulting in time and cost delays.[5]

The next sunset review of CCIDC took place in 2022. During the intervening period, the CCIDC board had elected to proactively establish an optional commercial designation for CIDs. This designation was subsequently codified in 2023 through SB 816 (Roth).

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[5] Little Hoover Commission. *Jobs for Californians: Strategies to Ease Occupational Licensing Barriers.* Report No. 234, October 2016.

California Council for Interior Design Certification. As of December 2025, there are 1,722 interior designers that hold a certification from CCIDC in California as CIDs. A CID is defined in statute as "a person who prepares and submits nonstructural or nonseismic plans … to local building departments that are of sufficient complexity so as to require the skills of a licensed contractor to implement them, and who engages in programming, planning, designing, and documenting the construction and installation of nonstructural or nonseismic elements, finishes and furnishings within the interior spaces of a building, and has demonstrated by means of education, experience and examination, the competency to protect and enhance the health, safety, and welfare of the public." Certification offered by CCIDC is voluntary at the state level, though statute allows only certified individuals to use the term "certified interior designer" or any other language that implies certification by the Council. CCIDC is authorized to issue a commercial designation to CIDs who have passed additional interior design courses and examinations.

CCIDC has the authority to grant or deny applications for certification and to discipline certificate holders by denying, suspending, or imposing probationary conditions on certificates. CCIDC may also require a CID to complete remedial coursework in ethics and business practices as a condition of reinstatement or resolution of a disciplinary action. Through these responsibilities, CCIDC helps ensure that CIDs meet professional competency standards designed to protect California consumers. CCIDC does not approve or oversee educational institutions offering programs in interior design.

California Architects Board. The CAB was established in 1901 to protect the health, safety, and welfare of the public by regulating the practice of architecture in California. The CAB is responsible for the implementation and enforcement of the Architects Practice Act. At the CAB's most recent sunset review in 2024, the CAB reported that there were over 21,000 architects and approximately 10,000 candidates who were in the process of meeting licensure requirements.

Within the CAB's jurisdiction is the LATC, to which the CAB may delegate certain duties and functions. The LATC is tasked with establishing standards for licensure and enforcing laws and regulations governing the practice of landscape architecture in California. In its 2023 sunset report, the LATC reported that there were approximately 3,700 active landscape architect licensees in California. The LATC consists of five professional members appointed by the Governor, Senate, and Assembly. The CAB and LATC share an executive officer and assistant executive officer, although the LATC has five staff of its own.

Sunrise Review. This bill proposes to establish a new category of license within the CAB which would be required to engage in the practice of professional interior design, as defined. When there are proposals for new or expanded regulation of an occupation, legislators and administrative officials are expected to weigh arguments regarding the necessity of the proposed regulation, determine the appropriate level of regulation (e.g., registration, certification, or licensure), and select a set of standards (education, experience, examinations). As a result, the Legislature uses a process known as "sunrise" to review and assess the proposals.

The sunrise review process includes a questionnaire and a set of evaluative scales to be completed by the group supporting regulation. The questionnaire is an objective tool for collecting and analyzing information needed to arrive at accurate, informed, and publicly supportable decisions regarding the merits of regulatory proposals. A questionnaire was prepared by the sponsor of this bill, which will be analyzed further under "Sunrise Review."

Current Related Legislation. AB 2772 (Business and Professions) is the sunset review vehicle for the California Council for Interior Design. *This bill is pending in this committee.*

Prior Related Legislation. SB 816 (Roth), Chapter 723, Statutes of 2023 codified CCIDC's authority to issue a CID commercial designation.

SB 1437 (Roth), Chapter 311, Statutes of 2022 extended CCIDC's sunset date.

SB 308 (Lieu), Chapter 333, Statutes of 2013 extended CCIDC's sunset date, required CIDs to use written contracts when providing interior design services, and required meetings of CCIDC's board to comply with the Bagley-Keene Open Meeting Act.

AB 2482 (Ma) of 2012 would have established a California Registered Interior Designers Board within the DCA regulate interior designers. *This bill died without a hearing in this committee.*

SB 1312 (Yee/Calderon) of 2008 would have placed interior designers under a Registered Interior Designers Committee within the CAB. *This bill failed on the Senate Floor.*

SB 363 (Figueroa), Chapter 874, Statutes of 2003 extended CCIDC's sunset date, modified the qualifying education and experience standards for a CID, and required CCIDC to provide a report on the costs and benefits of its examination requirements and feasible alternatives.

SB 136 (Figueroa), Chapter 495, Statutes of 2001 extended CCIDC's sunset date, required CCIDC to report specified information to the Joint Committee and to undergo an independent audit of its finances, and required CCIDC to change from a 501(c)(6) nonprofit corporation to a 501(c)(3) nonprofit corporation.

AB 1096 (Romero) of 1999 would have established a Board of Interior Design within the DCA. *This bill was vetoed by the Governor.*

SB 153 (Craven), Chapter 396, Statutes of 1990 established a voluntary certification process for interior designers through CCIDC.

SB 354 (Craven), Chapter 699, Statutes of 1988 required the CSLB to fund a study on the necessity and feasibility of licensing interior designers.

ARGUMENTS IN SUPPORT:

The *International Interior Design Association* (IIDA) is sponsoring this bill. According to IIDA: "Professional interior designers in California already perform highly technical, code-governed work in a wide range of environments, including offices, hospitals, schools, laboratories, multi-family housing, government facilities, and airports. In our survey of interior designers in California, 89 percent reported that most (76–100 percent) of their projects involve regulated or permitted interior spaces. All respondents reported regular coordination with architects, engineers, and other licensed design professionals. Despite performing complex work daily in commercial spaces the current law does not formally license our professional practice. Our work impacts millions of Californians that live, learn, travel, heal and work in these commercial spaces." IIDA further argues that "AB 1796 strengthens public protection, clarifies the scope of practice, supports a diverse and experienced workforce, and ensures professionals performing regulated interior work are subject to clear standards and oversight."

ARGUMENTS IN OPPOSITION:

The *American Institute of Architects California* opposes this bill, writing: "For several years, we have heard anecdotally that the rationale for this legislation stems from situations in which construction documents prepared by interior designers were not accepted by a small number of authorities having jurisdiction. There is a lack of clarity regarding the underlying causes of these reported rejections by jurisdictions, as no data or supporting evidence has been presented as part of the licensure discussions. In practice, plan rejections occur for a wide range of reasons and are a routine part of the construction document review process in California. It has not been demonstrated whether interior designers are subject to a different regulatory standard than other licensed professionals, whether their submissions fail to meet applicable code requirements, whether they fall outside the scope permitted under current law, or whether the issue is simply a function of their unlicensed status within the existing regulatory framework."

SUNSET REVIEW:

Purpose of Sunrise. New regulatory and licensing proposals are generally intended to assure the competence of specified practitioners in different occupations. However, these proposals have resulted in a proliferation of licensure and certification programs, which are often met with mixed support. Proponents argue that regulation benefits the public by assuring competence and an avenue for consumer redress. Critics argue that regulation benefits a profession more than it benefits the public.

Sunrise helps distill those arguments by: (1) placing the burden of showing the necessity for new regulations on the requesting groups; (2) allowing the systematic collection of opinions both pro and con; and (3) documenting the criteria used to decide upon new regulatory proposals.

Sunrise has been in law since 1990, but recent studies continue to support the need for the process. Specifically, those studies show that, while licensing and other forms of regulation may increase employment opportunities and raise wages, they can also have negative or unintended economic impacts, such as shortages of practitioners or increased costs for services. In response to concerns over the growing number of professions requiring a license, the Obama Administration issued a report in 2015, *Occupational Licensing: A Framework for Policymakers*. The report agreed that, while licensing offers important protections to consumers and can benefit workers, there are also substantial costs, and licensing requirements may not always align with the skills necessary for the profession being licensed. Specifically, the report found:

> There is evidence that licensing requirements raise the price of goods and services, restrict employment opportunities, and make it more difficult for workers to take their skills across State lines. Too often, policymakers do not carefully weigh these costs and benefits when making decisions about whether or how to regulate a profession through licensing. In some cases, alternative forms of occupational regulation, such as State certification, may offer a better balance between consumer protections and flexibility for workers.

Levels of Regulation. If a review of the proponents' case indicates that regulation is necessary to protect public health, safety, and welfare, then a determination must be made regarding the appropriate level of regulation. As noted above, the public is often best served by minimal government intervention. The definitions and guidelines below are intended to facilitate the selection of the least restrictive level of regulation that will adequately protect the public interest.

Level I: Strengthen existing laws and controls. This choice includes providing stricter civil or criminal penalties. It is most appropriate where the public can effectively implement control.

Level II: Impose inspections and enforcement requirements. This choice may allow inspection and enforcement by a state agency. These should be considered where a service is provided that involves a hazard to the public health, safety, or welfare. Enforcement may include recourse to court injunctions and should apply to the business or organization providing the service, rather than the individual employees.

Level III: Impose registration requirements. Under registration, the state maintains an official roster of the practitioners of an occupation, recording also the location and other particulars of the practice, including a description of the services provided. This level of regulation is appropriate where any threat to the public is small.

Level IV: Provide an opportunity for certification. Certification is voluntary; it grants recognition to persons who have met certain prerequisites. Certification protects a title: non-certified persons may perform the same tasks but may not use "certified" in their titles. Usually, an occupational association is the certifying agency, but the state can be one as well. Either can provide consumers a list of certified practitioners who have agreed to provide services of a specified quality for a stated fee. This level of regulation is appropriate when the potential for harm exists and when consumers have a substantial need to rely on the services of practitioners.

Level V: Impose licensure requirements. Under licensure, the state allows persons who meet predetermined standards to work at an occupation that would be unlawful for an unlicensed person to practice. Licensure protects the scope of practice and the title. It also provides for a disciplinary process administered by a state control agency. This level of regulation is appropriate only in those cases where a clear potential for harm exists and no lesser level of regulation can be shown to adequately protect the public.

Sunrise Criteria and Questions. Central to the sunrise process are nine sunrise criteria, which were developed in coordination with the Department of Consumer Affairs to provide a framework for evaluating the need for regulation. These criteria are:

1) Unregulated practice of the occupation in question will harm or endanger the public health, safety or welfare.

2) Existing protections available to the consumer are insufficient.

3) No alternatives to regulation will adequately protect the public.

4) Regulation will alleviate existing problems.

5) Practitioners operate independently, making decisions of consequence.

6) The functions and tasks of the occupation are clearly defined.

7) The occupation is clearly distinguishable from other occupations that are already regulated.

8) The occupation requires knowledge, skills, and abilities that are both teachable and testable.

9) The economic impact of regulation is justified.

The criteria were used to develop the sunrise questionnaire noted above and help legislators and administrators answer three policy questions:

- Does the proposed regulation benefit the public health, safety, or welfare?
- Will the proposed regulation be the most effective way to correct existing problems?
- Is the level of the proposed regulation appropriate?

Sunrise Analysis. The following analysis is based on the above criteria and corresponding questions and answers provided by the author and the sponsor of the bill, the *International Interior Design Association* (IIDA), which serves as the applicant group in the sunrise questionnaire. According to the IIDA:

> Professional Interior Designers are the occupational group seeking regulation. Professional Interior Design is defined as the professional and comprehensive practice of creating a professional interior environment that addresses, protects, and responds to human need(s). The practice of interior design means the analysis, planning, design, documentation, and management of interior nonstructural construction and alteration projects in compliance with applicable building design and construction, fire, life safety, and energy codes, standards, regulations, and guidelines. Professional Interior Design done properly protects the general public and the direct consumer.

Criterion 1. Unregulated practice of professional interior designers will harm or endanger the public health, safety, or welfare. Currently, interior designers operate under what can be referred to as a "negative scope." In other terms, interior designers are authorized to provide design services that are not within the existing scopes of practice for architects, engineers, contractors, or other licensed professionals. The authorized practice of interior design therefore ranges significantly from services exclusively focused on the aesthetic appeal of indoor spaces to much more substantial design and planning of sensitive spaces.

The applicant group alleges that the incompetent performance of certain interior design services "could lead to physical harm of the occupants in case of an emergency (the MGM Las Vegas fire is an example of professional interior design that didn't meet code and caused significant injury and death. Nevada has since regulated interior design and has one of the highest numbers of licensed professionals in the country)." The applicant group further argues that "spaces that are not given proper attention by a competent design professional are less efficient, have high employee/patron dissatisfaction, and can impact the occupant's wellbeing in the space. U.S. studies in the past four years have shown productivity gains worth $6 billion to $20 billion per year simply by addressing sick building illnesses like respiratory diseases, allergies, and asthma."

The risk of harm associated with unregulated interior design services is clearly dependent on what services are specifically being performed. The applicant group argues that "the lack of accessibility to public spaces for disabled people, an increased potential for slip and fall due to inadequate/poor flooring selections, … the quicker spread of fire in spaces not designed with proper fire separation or FFE (furniture, fixtures, and equipment) that contributes to flashover, sick building syndrome due to poor indoor air quality as a result of the lack of ventilation and ignorance in the selection of materials, etc." are all potential causes of harm. However, not all interior design services are guaranteed to implicate these potential risk cases.

Criterion 2. Existing protections available to the consumer are insufficient. Current law allows for interior designers to voluntarily obtain certification from CCIDC. This certification is not required anywhere in the state. While a voluntary certification program administered by a private nonprofit fell short of earlier efforts to establish state licensure of interior designers by a board within the DCA, stakeholders hoped that the recognition granted to CIDs in statute would be sufficient to afford interior designers greater parity with other design professionals.

However, the applicant group argues that "because professional interior designers are unregulated in California, consumers have no clear information about the competency that should be present in a professional interior designer." The applicant believes that the voluntary certification model, which currently only captures some CIDs, leads to consumer confusion and an inability for consumers to seek out competent professionals. While this may be true, there does not appear to be abundant evidence that the existing protections have been insufficient to prevent tangible harm on any systemic level.

Criterion 3. No alternatives to regulation will adequately protect the public. Professional interior designers are already subject to a lower tier of regulation through the existence of a title act for CIDs. The applicant group points out that the title act does not appear to be an accessible mechanism for consumers to seek redress for bad actors, with CCIDC receiving zero complaints in 2025. The applicant group further points out that 31 other jurisdictions nationally regulate interior design (29 states, D.C. and Puerto Rico) and that recently, Oklahoma, Illinois, Iowa, Wisconsin, and North Carolina have enacted reforms to allow a path to licensure for professional interior designers. Because a title act already exists in California, there are likely no significant intermediary options remaining between current law and state licensure.

Criterion 4. Regulation will mitigate existing problems. According to the applicant group: "Regulating professional interior design increases consumer transparency in commercial projects and ensures protections for the general public and the direct consumer. Consumers will have access to a list of individuals that have demonstrated competency. Additionally, there will be a mechanism for consumers to report and seek penalty for professional interior designers that do not meet the professional standard."

While the applicant group's arguments in the questionnaire for imposing licensure center around improving the ability of consumers to identify competent interior designers, historically much of the support licensure has related to stamp acceptance. The issue of stamp acceptance was the primary genesis for CCIDC's creation, and the issue has been raised in nearly every sunset review of CCIDC by the Legislature. Certification was intended to help alleviate confusion among local building authorities in circumstances where building permits are required and provide assurance in knowing that a CID is competent to provide interior design services in accordance with the state building codes for the work they are allowed to perform.

However, the applicant group has argued that "the Council's voluntary existence creates confusion; they offer stamps that confer no privileges. Authorities Having Jurisdiction often refuse to accept these stamps, given that they are not fully backed by the State. These stamps are precluded from including the seal of California. They note in their report that several jurisdictions routinely reject plans submitted by designers." The applicant group argues CIDs are prohibited from being in responsible charge of certain projects, architectural firms do not recognize a CID certification for employment, and a 15-year review of CID permit submissions in San Francisco resulted in fewer than 50 CIDs filing only 124 permits during that time span.

CCIDC, meanwhile, asserts that the stamp acceptance issue is "more limited in scope than previously assumed." CCIDC references the small number of plan check denial cases it has reviewed, in which a majority of the rejected plans were subsequently accepted, and argues that "these outcomes suggest that most issues surrounding CID plan submissions arise not from systemic opposition, but rather from misunderstandings or lack of familiarity with the Title Act and the legal scope of [CIDs]. In most cases, effective communication and targeted outreach have led to successful resolution."

It is yet to be determined whether replacing voluntary certification under a private council with a mandatory licensure under a state board would resolve existing confusion for either consumers or local building officials. Both issues have been the subject of numerous stakeholder discussions for decades. The Legislature will have to determine what level of assurance it requires that a higher level of oversight will mitigate these problems prior to increasing the level of regulation on the interior design profession.

Criterion 5. Practitioners operate independently, making decisions of consequence. Professional interior designers currently operate as distinct practitioners within the fields of design. The applicant group argues that "these practitioners make professional judgments of consequence throughout the entire design and construction process," pointing out that "a design error that could lead to a building being inaccessible" and that "failure to comply with codes and regulations could lead to death or injury of building occupants who can't exit a building safely in an emergency."

As described by the applicant group, "there are two common routes in which professional interior designers perform their work: most professional interior designers work as part of a team within large, interdisciplinary design firms or they may operate as sole practitioners. The limiting nature of California's current governance structure that restricts professional interior designers from getting their plans accepted by local building officials makes sole practitioners less common. This structure and the inherent added cost limits sole practitioners from working on projects." The applicant group additionally points to the diversity of the interior design profession.

Criterion 6. Functions and tasks of the occupation are clearly defined. Because existing law does not establish a defined scope for interior design, any proposal to establish a license for the profession will have to clearly state what interior design services may or may not be provided without a license. This can be a complex determination given that other licensed professions currently provide similar services within the scope of their respective licenses. The applicant group states:

> Our proposal actively defines the practice of professional interior design in addition to defining what professional interior designers cannot do by excluding professional interior designers from the activities of these existing professions: Professional Engineers Act, California Professional Land Surveyors Act, and the California Architects Practice Act. The proposed legislation not impinge upon other design professionals' scope of practice. Our proposal is a Practice Act. We modeled our proposal after the statutory structure of the California Architects Practice Act. We believe that a Practice Act will provide for greater consumer transparency and protection, and a license for professional interior designers will reduce construction costs and address long standing equity issues in the design profession.

Criterion 7. The occupation is clearly distinguishable from other occupations that are already regulated. As noted above, professional interior designers engage in work that is similar to that of architects, structural engineers, and landscape architects, among others. The applicant group states: "Architects and Professional Interior Designers work closely on projects and have notable overlap in scope of practice. Most projects involve all groups listed above to some degree in order to properly design a safe, efficient, and sustainable space. Most projects now have a multi-displinary team across design professionals. Professional Interior Design as a profession was born out of architecture but has since become its own distinct field." The applicant group believes that the proposal in this bill would not impact the authority or scopes of practice of other currently regulated groups.

Criterion 8. The occupation requires possession of knowledge, skills, and abilities that are both teachable and testable. Existing law establishes requirements for an interior designer to receive a CID certification from the CCIDC, including passage of an examination. When CCIDC was first created, three different examinations were accepted for certification, including the NCIDQ exam. In 2003, SB 363 (Figueroa) required CCIDC to submit a report to the Joint Committee that "reviews and assesses the costs and benefits associated with the California Code and Regulations Examination and explores feasible alternatives to that examination." Concerns were raised that requiring applicants to pass both national and state-specific examinations was needlessly complex and burdensome, and that the unique nature of California building codes should be the emphasis of the examination. As a result, in 2008 CCIDC established the IDEX exam, a single examination specific to California.

CCIDC's transition from a combination of national and state-specific examination requirements to a single examination focused on California practice was the result of specific deliberation by the Legislature and was in response to identified deficiencies with the original framework. However, the fact that applicants for certification must exclusively take and pass the IDEX has further siloed interior designers working in California from other states where the profession is regulated differently. This bill would require the CAB to designate as its examination for licensure as a professional interior designer the NCIDQ exam. According to the applicant group: "Passage of the NCIDQ Examination is required for interior design licensure/registration in every regulated jurisdiction within the United States and Canada with the exception of California."

Criterion 9. The economic impact of regulation is justified. There are a number of implications to imposing licensure on a profession as opposed to providing for certification. An estimated 80 percent of professionals identified by the Bureau of Labor Statistics as interior designers working in California have chosen not to become certified by CCIDC; mandatory licensure would require some percentage of that population to qualify for and obtain a credential to continue practicing their profession. Current CIDs would also potentially encounter higher barriers to entry under the oversight of a state board, such as higher fees and more complex bureaucracy.

The applicant group believes approximately 670 or more interior designers will apply for licensure upon enactment of the bill, and that "as the program matures we anticipate more designers will apply." The applicant group estimates that the fee cost for professional interior designers would be approximately $353 based on the most recent fee revenues and administrative expenditures for both the CAB and the LATC. The applicant group determined that placing the licensing program for professional interior designers within the CAB is a more economical solution than creating a new board.

POLICY ISSUE(S) FOR CONSIDERATION:

Sunrise Review. As noted above, the criteria and the sunrise questionnaire are intended to assist policymakers in answering the following questions:

1) *Does the proposed regulation benefit the public health, safety, or welfare?* The applicant group describes the practice of professional interior design as implicating substantial public health and safety considerations when certain design services are being provided for certain high-risk settings like hospitals or airport terminals. While this is certainly the case for many interior design projects, this bill will inevitably capture situations where there is a much lower danger of consumer harm. However, similar arguments could be made for other professions that the state has chosen to regulate, such as landscape architects and cosmetologists. A determination could be made that while a license would not be necessary to protect the public in every instance of practice by a professional interior designer, there is enough general potential for harm associated with incompetent practice to warrant a higher level of regulation.

2) *Will the proposed regulation be the most effective way to correct existing problems?* Many of the applicant group's arguments in support of creating a new licensure category through this bill are focused on a perceived level of confusion that currently exists among consumers who are unable to effectively validate the competence of individuals from whom they wish to obtain interior design services. This problem exists in large part because a significant minority of interior designers practicing in California are in possession of a certification from CCIDC, and interior designers are not publicly vetted and subjected to oversight like other professionals who are within the jurisdiction of state licensing boards. This bill would conceivably correct these problems, to the extent they exist. Additionally, representatives of the interior design profession have repeatedly argued that stamp acceptance continues to be a significant issue, and that licensure would resolve that problem. While this is not the primary motive of the applicant group as stated in their sunrise questionnaire, there continues to be a debate about whether licensure is the most appropriate way to solve the issue of stamp acceptance, and that will likely remain a topic of discussion as this bill continues to be debated.

3) *Is the level of the proposed regulation appropriate?* The proposal contained in this bill to establish a licensing program is the next level of regulation after what currently exists, which is title protection. CCIDC currently certifies approximately 1,722 CIDs, a substantial minority of what is believed to be the interior design profession statewide. CCIDC operates with a relatively small budget and employs only two staff. CCIDC does not have a formal enforcement program and has only received 223 documented complaints since it was founded. As a voluntary certification program for unlicensed design professionals, CCIDC's legislative mandate is relatively modest, and its operations appear appropriately tailored to that scale. It could be argued that what exists currently is not especially consequential for the profession or for consumers. If the Legislature does determine that professional interior design involves services that present the risk of consumer harm, and that licensure would resolve those issues as well as other challenges that the interior design profession has faced with confusion among both local building authorities and consumers, the level of regulation proposed by this bill would likely be the remaining available option. However, the Legislature should remain mindful of the consequences of imposing such regulation, and the effects of implementing the bill should be carefully examined through future sunset review.

IMPLEMENTATION ISSUES:

While this bill is under consideration, AB 2772 (Committee on Business and Professions) has also been introduced to serve as the sunset review vehicle for CCIDC. While substantive language has not yet been drafted for AB 2772, any proposal to extend or reform the existing CID title act currently administered by CCIDC has a high likelihood of conflicting either directly or indirectly with the licensure proposal contained in this bill. In the event that both measures appear likely to pass, their contents will need to be reconciled prior to enactment.

REGISTERED SUPPORT:

International Interior Design Association *(Sponsor)*
American Society of Interior Designers
Council for Interior Design Qualification
86 individual interior designers, students, and design firms

REGISTERED OPPOSITION:

American Institute of Architects California
California Building Industry Association
California Council for Affordable Housing
California Council/American Society of Landscape Architects
Chief Executive Officers of the California Community Colleges Board
Consumer Protection Policy Center/USD School of Law
Institute for Justice
One individual

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 1915 (Gabriel) – As Amended March 23, 2026

NOTE: This bill is double referred and passed the Assembly Health Committee on April 14, 2026, on a 16-0-0 vote**.**

SUBJECT: Accelerated restaurant equipment permitting approval: retail food safety.

SUMMARY: Establishes a streamlined permit approval process and waives inspections for a like-for-like equipment installations at restaurants; requires the Building Standards Commission (CBSC) to adopt various building standards related to restrooms, drinking fountains, cooking equipment, and dishwashers; and makes various changes to the California Retail Food Code (CRFC) related to milk, non-continuous cooking, raw animal foods, handwashing sinks, refrigeration, grease traps and grease incinerators, and passthrough windows.

EXISTING LAW:

1) Establishes, until January 1, 2029, the Contractors State License Board (CSLB) under the Department of Consumer Affairs to implement and enforce the License Law, which includes the licensing and regulation of contractors and home improvement salespersons. (Business and Professions Code (BPC) §§ 7000 *et seq.*)

2) Exempts from the License Law a work or operation on one undertaking or project by one or more contracts if the aggregate price for labor, materials, and all other items is less than $1,000 that work or operation being considered of casual, minor, or inconsequential nature, and the work or operation does not require a building permit. (BPC § 7048)

3) Authorizes the CSLB to issue licenses to individual owners, partnerships, corporations, and limited liability companies. (BPC § 7065(b))

4) Establishes the CBSC within the Department of General Services and requires the CBSC to administer the processes related to the adoption, approval, publication, and implementation of California's building codes, which serve as the basis for the design and construction of buildings in California. (Health & Safety Code (HSC) §§ 18901 *et seq.*)

5) Specifies that where no state agency has the authority to adopt building standards applicable to state buildings, the CBSC shall adopt, approve, codify, and publish building standards providing the minimum standards for the design and construction of state buildings, including buildings constructed by the Trustees of the California State University and, to the extent permitted by law, to buildings designed and constructed by the Regents of the University of California. (HSC § 18934.5)

6) Requires the Department of Alcoholic Beverage Control to administer the provisions of the Alcoholic Beverage Control Act, including the licensing of individuals and businesses in the manufacture, importation, and sale of alcoholic beverages. (BPC § 23000 *et seq.*)

7) Establishes the CRFC to provide for the regulation of retail food facilities. Establishes health and sanitation standards at the state level through the CRFC, while enforcement is charged to local agencies, carried out by the 58 county environmental health departments and four city environmental health departments (Berkeley, Long Beach, Pasadena, and Vernon). (HSC §§ 113700 *et seq.*)

8) Defines a "food facility" as an operation that stores, prepares, packages, serves, vends, or otherwise provides food for human consumption at the retail level. Excludes various entities from the definition of a "food facility," including a cottage food operation, and a church, private club, or other nonprofit association that gives or sells food to its members and guests, and not to the general public, at an event that occurs no more than three days in any 90-day period. (HSC § 113789)

9) Establishes requirements for satellite food services, including requiring satellite food service only be operated by a fully enclosed permanent food facility that meets the requirements for food preparation and service and that is responsible for servicing the satellite food service operation; that the permit holder of the permanent food facility submit to the enforcement agency written standard operating procedures prior to conducting the service, as specified; that all food preparation be conducted within a food compartment or fully enclosed facility; and, that service areas have overhead protection that extends over all food handling areas. (HSC § 114067)

10) Defines "limited food preparation" to mean food preparation that is restricted to specified methods, including, among other things, cooking and seasoning to order, hot and cold handling of food that has been prepared at an approved permanent food facility, and reheating of food that has previously been prepared at an approved permanent food facility, as specified. Excludes from the definition the following, among other things: handling, manufacturing, processing or packaging of milk, milk products, or products resembling milk products as specified. (HSC § 113818)

11) Defines "warm water" to mean water that is supplied through a mixing valve or combination faucet at a temperature of at least 100ºF. (HSC § 113941)

12) Requires handwashing facilities to be provided within or adjacent to toilet rooms in accordance with local building and plumbing codes. Requires food facilities that handle non-prepackaged food to provide handwashing facilities in food preparation areas and warewashing areas that are sufficient in number and conveniently located for use by food employees. Requires these handwashing facilities to be equipped with to provide warm water under pressure for a minimum of 15 seconds through a mixing valve or combination faucet. Requires, if the temperature of water provided to a handwashing sink is not readily adjustable at the faucet, the temperature of the water to be at least 100°F, but not greater than 108°F. Authorizes an automatic handwashing facility to be installed and used in accordance with the manufacturer's instructions. Authorizes the enforcement agency to allow handwashing facilities other than those required by this section when it deems that the alternate facilities are adequate. (HSC § 113953)

13) Requires a thermometer to be provided for each refrigeration unit. Requires the thermometer to be located to indicate the air temperature in the warmest part of the unit and, except for vending machines, to be affixed to be readily visible. (HSC § 114157)

14) Prohibits a grease trap or grease interceptor from being located in a food preparation or utensil handling area unless specifically approved by the enforcement agency. Requires grease traps and grease incinerators to be easily accessible for servicing. (HSC § 114201)

15) Limits passthrough window service openings to be limited to 216 square inches each. Prohibits service openings from being closer together than 18 inches. Requires each opening to be provided with a solid or screened window, equipped with a self-closing device. Requires screening to be at least 16 mesh per square inch. Approves passthrough windows of up to 432 square inches approved if equipped with an air curtain device. Requires the counter surface of the service openings to be smooth and easily cleanable. (HSC § 114259.2)

16) Requires the walls and ceilings of all rooms within permanent food facilities to be of a durable, smooth, nonabsorbent, and easily cleanable surface, except as specified. (HSC § 114271)

17) Requires temporary food facilities to be equipped with overhead protection for all food preparation, food storage, and warewashing areas. Requires overhead protection to be made of wood, canvas, or other materials that protect the facility from precipitation, dust, bird and insect droppings, and other contaminants. Requires temporary food facilities that handle nonprepackaged food to also protect food from contamination in one of the following ways:

    a) Enclosure of the food facility with 16 mesh per square inch screens;

    b) Limiting display and handling of nonprepackaged food in food compartments; or,

    c) Other alternative, effective means approved by the enforcement officer.

    (HSC § 114349(a)-(b))

18) Exempts temporary food facilities that are approved for limited food preparation from the requirements above if flying insects, vermin, birds, and other pests are absent due to the location of the facility or other limiting conditions. (HSC § 114349(c))

19) Requires potentially hazardous food to be maintained at or above 135°F, or at or below 41°F, except during preparation, cooking, cooling, or transportation or from a food facility, or as otherwise specified. (HSC § 113996(a))

20) Authorizes potentially hazardous foods, as specified, to be held at or below 45°F (HSC § 113996(c))

21) Authorizes potentially hazardous foods held for dispensing in serving lines and salad bars to be maintained above 41°F, but not above 45°F, during periods not to exceed 12 hours in any 24-hour period only if the unused portions are disposed of at or before the end of this 24-hour period. Specifies that a display case is not a serving line. (HSC § 113996(d))

22) Requires, except as specified, if time only, rather than time in conjunction with temperature, is used as the public health control for a working supply of potentially hazardous food before cooking or for ready-to-eat potentially hazardous food that is displayed or held for service for immediate consumption, the following to occur:

a) The food to be marked or otherwise identified to indicate the time that is four hours past the point in time when the food is removed from temperature control;

b) The food to be cooked and served, served if ready-to-eat, or discarded within four hours from the point in time when the food is removed from temperature control;

c) The food in unmarked containers or packages or marked to exceed a four-hour limit to be discarded; and,

d) Written procedures to be maintained in the food facility and made available to the enforcement agency upon request for food that is prepared, cooked, and refrigerated before time is used as a public health control.

(HSC § 114000)

23) Requires, whenever food has been prepared or heated so that it becomes potentially hazardous, the food be rapidly cooled if not held at or above 135°F. Requires, after heating or hot holding, potentially hazardous food to be cooled rapidly from 135ºF to 41°F or below within six hours and, during this time the decrease in temperature from 135°F to 70°F is required to occur within two hours. Requires potentially hazardous food to be cooled within four hours to 41°F or less if prepared from ingredients at ambient temperature, such as reconstituted foods and canned tuna. Requires, except for a specified exemption of pasteurized milk, raw shell eggs and unshucked live molluscan shellfish, a potentially hazardous food received in compliance with laws allowing a temperature above 41°F during shipment from the supplier to be cooled within four hours to 41°F or less. (HSC § 114002)

24) Requires, whenever food has been prepared or heated so that it becomes potentially hazardous, the food to be rapidly cooled if not held at or above 135°F. Requires, after heating or hot holding, potentially hazardous food to be cooled rapidly from 135ºF to 41°F or below within six hours and, during this time the decrease in temperature from 135°F to 70°F is required to occur within two hours.

a) Requires potentially hazardous food to be cooled within four hours to 41°F or less if prepared from ingredients at ambient temperature, such as reconstituted foods and canned tuna;

b) Requires a potentially hazardous food received in compliance with laws allowing a temperature above 41°F during shipment from the supplier to be cooled within four hours to 41°F or less; and,

c) Exempts pasteurized milk in original, sealed containers, pasteurized milk products in original, sealed containers, raw shell eggs, and unshucked live molluscan shellfish from the requirements of a) and b) above if these foods are placed, immediately upon their receipt, in refrigerated equipment that maintains an ambient temperature of 45°F or less.

(HSC § 114002)

25) Establishes specific requirements for the temperature and time for the cooking of raw animal foods such as eggs, fish, meat, poultry, and all foods containing these raw animal foods as specified. (HSC § 114004)

THIS BILL:

1) Defines “licensed commercial contractor” to mean a contractor licensed pursuant to the Business and Professions Code holding a valid and active license in good standing in the appropriate classification for the work performed.

2) Defines “like-for-like equipment installation” to mean the installation or replacement of commercial food service equipment that is substantially similar in size, function, and utility demand to existing approved equipment and does not do any of the following:

   a) Change the use or occupancy classification of the building.

   b) Alter structural or load-bearing elements.

   c) Modify fire or life safety systems, except for direct connection to existing approved systems.

   d) Increase approved utility capacity.

   e) Require discretionary review.

3) Defines “qualified licensed contractor certifier” to mean a licensed commercial contractor who satisfies all the following:

   a) Holds a valid license in good standing in the appropriate classification for the work performed.

   b) Has not less than five years of experience performing commercial food service equipment installation or commercial restaurant construction experience.

   c) Maintains commercial general liability insurance in an amount not less than $2,000,000 per occurrence.

   d) Is not subject to any current suspension, probation, or enforcement action by the CSLB.

4) Defines “restaurant” to mean a retail food establishment that prepares, serves, and vends food directly to the consumer and is not a fast food restaurant.

5) Requires, upon request of an applicant for a permit for a like-for-like equipment installation relating to a restaurant, a local building department to allow a qualified licensed contractor certifier to submit a certification of compliance with applicable codes.

6) Requires a certification submitted pursuant to this bill to satisfy the inspection requirement for the qualifying installation.

7) Provides that certification shall be at the applicant’s expense and does not exempt the project from permit requirements.

8) Requires a qualified licensed contractor certifier to submit an affidavit, under penalty of perjury, attesting to both of the following:

a) The equipment installation complies with all applicable building, electrical, mechanical, plumbing, fire, and health and safety codes in effect at the time of installation.

b) The work performed is limited to a like-for-like equipment installation.

9) Requires the local building department to approve or deny a complete permit application within 10 business days of receipt.

10) Specifies that if the local building department does not approve or deny the application within 10 business days of receipt, the permit shall be deemed approved for permitting purposes, provided all required fees have been paid.

11) Makes a qualified licensed contractor certifier liable for damages arising from negligent or false certification under this bill.

12) Requires the applicant to indemnify the local agency from property damage or personal injury arising from construction performed pursuant to this bill.

13) States that a false statement made in a certification submitted pursuant to this bill constitutes grounds for disciplinary action by the CSLB and may constitute grounds for a conviction of perjury.

14) Requires a city, county, or city and county to adopt reasonable administrative requirements to implement this chapter.

15) Requires, as a part of the next triennial update of the California Building Standards Code that occurs on or after January 1, 2027, the CBSC to adopt building standards that do all of the following:

a) Authorize a business establishment that is takeout only to operate without providing customer restrooms.

b) Authorize a business establishment, regardless of whether the business establishment sells alcohol, with a maximum occupancy of 49 persons to provide restrooms without urinals.

c) Authorize a business establishment to install up to 1,000 square feet of patio seating without providing additional restrooms.

d) Authorize a business establishment that serves alcohol to satisfy a requirement to provide restrooms by exclusively providing restrooms for use by all genders.

e) Authorize a business establishment with a maximum occupancy of 100 occupants to operate without drinking fountains.

f) Authorize a business establishment to operate cooking equipment without installing a Type 1 hood, as described, over the cooking equipment, provided that the cooking equipment is operated for the purpose of baking and does not produce cooking odors, smoke, grease, or vapor.

g) Authorize a business establishment to operate an under-the-counter dishwasher without installing a mechanical exhaust system over the dishwasher.

16) Defines "alcohol" to mean ethyl alcohol, hydrated oxide of ethyl, or spirits of wine, from whatever source or by whatever process produced.

17) Includes the handling of milk, milk products, or products resembling milk products in the definition of limited food preparation.

18) Defines "noncontinuous cooking," also known as "par-cooking," to mean the cooking of food in a food facility using a process in which the initial heating of the food is intentionally halted so that it may be cooled and held for complete cooking at a later time prior to sale or service. Specifies that "noncontinuous cooking" does not include cooking procedures that only involve temporarily interrupting or slowing an otherwise continuous cooking process.

19) Changes the required temperature within the existing definition of "warm water" supplied through a mixing valve or combination faucet, from a temperature of at least 100 degrees (°) Fahrenheit (F), to a temperature of least 85° F but not greater than 100 °F and makes a conforming change as it relates to handwashing facilities which are required to be equipped with warm water.

20) Prohibits a steam mixing valve from being used at a handwashing sink.

21) Requires a self-closing, slow-closing, or metering faucet to provide a flow of water of at least 15 seconds without the need to reactivate the faucet.

22) Requires raw animal foods that are cooked using a noncontinuous cooking process to be all of the following:

a) Subject to an initial heating process that is no longer than 60 minutes in duration.

b) Immediately after initial heating, cooled according to the time and temperature parameters as specified in existing law for cooked potentially hazardous foods.

c) After cooling, held frozen or cold, as specified in existing law for potentially hazardous foods.

d) Prior to sale or service, cooked using a process that heats all parts of the food to a temperature and for a time as specified under the existing requirements for cooked potentially hazardous foods.

e) Cooled according to the time and temperature parameters specified for cooked potentially hazardous foods under existing law if not either hot held, served immediately, or held using time as a public health control after complete cooking.

f) Prepared and stored according to written procedures that meet all of the following conditions:

i) Are maintained in the food facility and are available to the enforcement agency upon request.

ii) Describe how the requirements above are to be monitored and documented by the permitholder and the corrective actions to be taken if the requirements are not met.

g) Describe how the foods, after initial heating, but prior to complete cooking, are to be marked or otherwise identified as foods that are required to be cooked prior to being offered for sale or service.

h) Describe how the foods, after initial heating but prior to cooking, are to be separated from ready-to-eat foods.

23) Replaces the term "thermometer" with "temperature measuring device," thereby requiring a refrigeration unit to be equipped with a temperature measuring device rather than a thermometer.

24) Modifies an existing prohibition on locating a grease trap or grease interceptor in a food or utensil handling area to specify that a grease trap or grease interceptor shall not be located in a food *preparation* or utensil handling area (emphasis added to distinguish from existing law).

25) Specifies that the prohibition above does not apply to either of the following:

a) An aboveground grease trap installed under a three-compartment sink under the following conditions:

i) A structural hardship can be determined preventing the grease trap or grease interceptor from being installed in an area not designated for food preparation or food storage or a utensil handling area.

ii) The site can provide a cleaning or maintenance plan that indicates how and when the grease trap or grease interceptor will be accessed for service to prevent any cross contamination of food or food contact surfaces; and,

b) The site can provide procedures that will be taken to properly clean and sanitize the area following servicing.

26) Provides that any food facility approved with a grease trap or grease interceptor that is in operation before the effective date of this new requirement is also exempt.

27) Deletes the requirement that passthrough window service openings are limited to 216 square inches each.

28) Deletes the requirement that passthrough window service openings be equipped with a self-closing device and instead specifies that the window is required to be closed when not in use.

29) States that a passthrough window service opening of up to 432 square inches is approved if equipped with an air curtain device *or a self-closing device* (emphasis added to distinguish from existing law). Requires the counter surface of the service opening to be smooth and easily cleanable.

30) Provides that at a drive-through, a passthrough service opening that is larger than 432 square inches is approved if equipped with both a self-closing device and an air curtain device. Requires the counter surface of the service opening to be smooth and easily cleanable.

31) Exempts the following areas from the existing requirement that a food facility's walls must be durable, smooth, nonabsorbent, and easily cleanable:

    a) Walls and ceilings of any areas in which *beverages* (not limited to alcoholic beverages) are sold, served, or *dispensed* directly to the consumers, except wall areas adjacent to bar sinks and areas where food, *including beverages*, are prepared (emphasis added to distinguish from existing law).

    b) Restrooms that are used exclusively by employees, except that the walls and ceilings in the restrooms must be a washable surface.

32) Exempts a temporary food facility that is approved for limited food preparation from the existing requirement that temporary food facilities be equipped with overhead protection for all food preparation, food storage, and warewashing areas if environmental factors, including but not limited to precipitation and wind that could contaminate the food, are absent due to the location of the facility or other limiting conditions.

33) Includes findings and declarations.

34) Specifies that no reimbursement is required by this bill.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *Independent Hospitality Industry.* According to the author, "California's neighborhood restaurants are the heart of our communities, yet so many are fighting just to survive. [This bill] is a commitment to stand beside them, offering the support they need to launch, adapt, and thrive. When local restaurants succeed, our communities are stronger for it."

Background.

Contractors State License Board. The CSLB is responsible for implementing and enforcing the License Law, which governs the licensure, practice, and discipline of contractors in California. A license is required for construction projects valued at $1,000 or more, including labor and materials. The CSLB issues licenses to business entities and sole proprietors. Each license requires a qualifying individual (a "qualifier") who satisfies the experience and examination requirements for licensure and directly supervises and controls construction work performed under the license. The CSLB issues four types of licenses: "A" General Engineering Contractor; "B" General Building Contractor; "B-2" Residential Remodeling Contractor; and "C" Specialty Contractor, of which there are 42 classifications. Each licensing classification (i.e., electrical, drywall, plumbing, roofing, and fencing) authorizes a specific type of construction work.

Building Permit Process. Local building departments and environmental health agencies enforce state and local building standards and the CFRC, and are responsible for evaluating permit

applications for compliance. The local building department cannot issue a permit without approval from the local environmental health agency. Building departments may contract with a private entity to provide plan-checking services. Construction work requiring a permit cannot begin until a permit is issued. After the work is completed, local building officials conduct various inspections to ensure it was done correctly.

This bill would allow a "qualified licensed contractor certifier" to self-certify that a permit for a like-for-like equipment installation relating to a restaurant complies with all applicable codes. This bill specifies that a "qualified licensed contractor certifier" is a licensed commercial contractor who holds a valid license in good standing from CSLB in the appropriate classification for the work performed, has five years of experience performing commercial food service equipment installation or commercial restaurant construction experience, maintains commercial liability insurance, as specified, and is not subject to current enforcement action by the CSBL. The "qualified licensed contractor certifier" must sign an affidavit, under penalty of perjury, attesting that the equipment installation complies with all building, electrical, mechanical, plumbing, fire, and health and safety codes, and the work performed is limited to a like-for-like equipment installation, as defined. The bill further waives the inspection requirement when a "qualified licensed contractor certifier" submits a certification and affidavit.

California Building Standards Code. The California Building Standards Code (Cal. Code Regs., Title 24) regulates the design, construction, quality of materials, use and occupancy, location, and maintenance of all buildings and structures in the state, and includes standards for building safety (the Building Code), fire safety standards (the Fire Code), energy efficiency standards (the Energy Code), and standards for green buildings (CalGreen). The California Building Standards Code is published every three years, though intervening code adoption cycles produce supplements 18 months into each triennial period. The adoption of building standards is subject to a lengthy, public process. The 2025 Building Standards Code took effect on January 1, 2026.

The CBSC is charged, in part, with administering California's building code adoption process; reviewing and approving building standards proposed and adopted by state agencies; codifying and publishing approved building standards in the California Building Standards Code; and resolving conflicts, duplications, and overlaps in building standards. The California Building Standards Code comprises building standards adopted by state agencies; building standards adopted and adapted from national model codes; and building standards authorized by the California Legislature that address issues and concerns specific to California. Several state agencies are tasked with developing building standards for various building occupancies and building uses. For example, the California Department of Public Health is responsible for proposing building standards related to food establishments. The CBSC's authority and expertise to develop and propose building standards are limited to the following nonresidential occupancy types and subject areas:

- Specified state buildings as well as buildings constructed by the Trustees of the California State University and the Regents of the University of California.

- Seismic retrofit standards for state buildings, including those owned by the University of California and California State University.

- Standards for parking lot lighting systems for the University of California, California State University, and California Community Colleges.

- Green building standards for nonresidential occupancy types for which no other state agency has authority.

This bill requires the CBSC to adopt specific building standards pertaining to restaurants as part of the next triennial update of the California Building Standards Code. Specifically, the building standards would authorize a takeout-only restaurants to operate without providing customer restrooms, authorize restaurants with a 49-person occupancy limit to provide restrooms without urinals, authorize restaurants to have 1,000 square feet of patio seating without providing additional restrooms, authorize restaurants with a 100-person occupancy limit to operate without drinking fountains, authorize restaurants to operate cooking equipment for baking without a hood, as specified, and authorize a restaurant to operate an under-the-counter dishwasher without installing a mechanical exhaust system over the dishwasher.

California Retail Food Code. The CFRC is intended to prevent and provide safeguards to minimize foodborne illness, protect employees' health, ensure food safety, require the use of nontoxic, cleanable equipment, and specify the level of sanitation necessary for food facilities. As noted in the Assembly Health Committee analysis of this bill:

> The CRFC is modeled after the federal Food and Drug Administration's (FDA) Model Food Code (Food Code), which is updated every four years to enhance food safety laws based on the best available science. Between each four-year period, the FDA makes available a Food Code Supplement that updates, modifies, or clarifies certain provisions. The Food Code assists food control jurisdictions at all levels of government by providing them with a scientifically sound technical and legal basis for regulating the retail and food service segment of the industry, such as restaurants, grocery stores, and institutions like nursing homes. Forty-eight states and territories have adopted food codes patterned after the Food Code, representing 80% of the US population.

Sixty-two local environmental health regulatory agencies enforce the CRFC. The California Department of Public Health, Food and Drug Branch, plays a supporting role in the enforcement of the CRFC by providing technical expertise to evaluate processes and procedures and to answer technical and legal inquiries for local agencies, industry, and consumers. These provisions are subject to the jurisdiction of the Assembly Health Committee, which previously heard this bill.

According to the author's office, "many small business owners are people of color that depend on their business to bring food to the table. By reducing this unnecessary red tape more people from marginalized communities will be encouraged to own a small business that can also help diversify the community the business lives in."

Current Related Legislation. AB 1963 (Zbur) would require a local building department to allow a "qualified professional certifier," as specified, to certify compliance with appliance building, health, and safety codes for a tenant improvement plan related to a retailer, as defined, and require the local building department to approve or deny the permit application within 20 business days. *AB 1963 is pending in this committee.*

Prior Related Legislation. AB 671 (Wicks and Gabriel), Chapter 470, Statutes of 2025, requires a local building department or permitting department to allow a qualified professional certifier to self-certify that tenant improvement plans relating to a restaurant comply with all applicable

building, health, and safety codes, and requires local building departments to approve or reject those plans within 20 days.

AB 1470 (Haney) of 2025 would have made substantially similar changes to the CRFC that this bill makes as it relates to grease traps and grease inceptors, passthrough window service openings, walls and ceilings in beverage areas and restrooms, and exemptions for temporary food facilities from overhead protections and other specified protections if environmental factors that would contaminate the food are absent. *AB 1470 was held on the Senate Appropriations Committee Suspense File.*

AB 2550 (Gabriel) of 2024 would have made substantially similar changes to the CRFC that this bill makes as it relates to grease traps and grease inceptors, passthrough window service openings, walls and ceilings in beverage areas and restrooms, and exemptions for temporary food facilities from overhead protections and other specified protections if environmental factors that would contaminate the food are absent. Additionally, AB 2550 would have similarly required the CBSC to adopt building standards for restrooms, drinking fountains, cooking equipment, and dishwashers. *AB 2550 was held on the Senate Appropriations Committee Suspense File.*

ARGUMENTS IN SUPPORT:

As the sponsor of this bill, the *Independent Hospitality Association* writes:

> Restaurants and small food businesses are foundational to California's economy, workforce, and neighborhood vitality. Prior to the pandemic, the restaurant and food service sector employed approximately 400,000–500,000 workers in the Greater Los Angeles region alone, and continues to generate significant local and state tax revenue. Yet today, the industry is facing sustained economic pressure. Across the United States, more than 72,000 restaurants closed in 2024, and restaurant bankruptcies reached their highest levels since the pandemic. According to the National Restaurant Association, 42% of operators reported that they were not profitable in 2025. At the same time, businesses are contending with rising food costs, increased labor expenses, higher rents, and ongoing economic uncertainty in many local markets. In this environment, reducing the cost of opening and operating a business is not just helpful—it is essential. One of the most immediate and solvable challenges facing small businesses today is the high cost and complexity of regulatory compliance. Even routine improvements—such as replacing equipment or making minor tenant improvements—can trigger lengthy permitting timelines, multiple agency reviews, and costly requirements that delay openings and strain already limited capital. For many entrepreneurs, these barriers function as a significant barrier to entry, preventing otherwise viable businesses from opening or expanding. For existing operators, these same inefficiencies make it more difficult to reinvest, adapt, and remain competitive.

ARGUMENTS IN OPPOSITION:

There is no opposition on file.

IMPLEMENTATION ISSUES:

Conflict of Interest. This bill allows "qualified licensed contractor certifiers" to sign off on their own work and waive inspection, eliminating any third-party, objective verification that their work was performed correctly.

"Qualified professional certifier" Eligibility Verification. There does not appear to be any mechanism to verify that a "qualified professional certifier" has at least five years of experience "performing commercial food service equipment installation or commercial restaurant construction experience."

Enforcement. Although any false statement in a certification submission would be cause for disciplinary action by the Contractors State License Board, there is no requirement for either the licensee or the local building department to notify the CSLB.

Vagueness. Most notably, "commercial food service equipment" is not defined, leaving unclear which types of equipment would be covered by this bill. Additionally, this bill covers both the installation and replacement of equipment that is "substantially similar in size, function, and utility demand to existing approved equipment." It is unclear whether "existing approved equipment" means equipment that was or is currently installed and being replaced, and, if so, how "installation" differs from "replacement." It is also unclear what constitutes five years of "performing commercial food service equipment installation or commercial restaurant construction experience."

Breadth. This bill requires a licensed contractor to have "a valid license in good standing in the appropriate classification for the work performed." The author may wish to narrow the bill to specific contractor classifications, such as a General Engineering Contractor, General Building Contractor, C-4 - Boiler, Hot Water Heating and Steam Fitting Contractor, C-10 - Electrical Contractor, C-36 - Plumbing Contractor, or C-38 - Refrigeration Contractor license.

REGISTERED SUPPORT:

Independent Hospitality Association (Sponsor)
Betsy Restaurant
Burger She Wrote
California Association of Environmental Health Administrators
California Community Foundation
California Restaurant Association
California Travel Association
Central City Association of Los Angeles
Chick-fil-a
Civil Coffee
Council of Infill Builders
Ferrazzanis
Golden Gate Restaurant Association
Inclusive Action for the City
Little Tokyo Service Center
Venice Chamber of Commerce

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Kaitlin Curry / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 1952 (Berman) – As Amended April 13, 2026

SUBJECT: Dentistry: dental hygienists: licensure.

SUMMARY: Establishes a pathway for an internationally trained dentist to apply for licensure as a registered dental hygienist (RDH) after completing additional examination and training requirements.

EXISTING LAW:

1) Establishes the Dental Practice Act. (Business and Professions Code (BPC) §§ 1600 *et seq.*)

2) Establishes the Dental Board of California (DBC) within the Department of Consumer Affairs (DCA) to administer and enforce the Dental Practice Act. (BPC § 1601.1)

3) Defines "dentistry" as the diagnosis or treatment, by surgery or other method, of diseases and lesions and the correction of malpositions of the human teeth, alveolar process, gums, jaws, or associated structures; diagnosis or treatment may include all necessary related procedures as well as the use of drugs, anesthetic agents, and physical evaluation. (BPC § 1625)

4) Authorizes the DBC to grant a license to practice dentistry to an applicant who satisfies certain requirements, including a requirement that satisfactory evidence be provided that the applicant has graduated from a dental school approved either by a national accrediting body approved by the DBC or by the Commission on Dental Accreditation (CODA), a national accreditor established within the American Dental Association. (BPC § 1634.1)

5) Beginning January 1, 2024, requires a school seeking approval as a foreign dental school to have successfully completed the international consultative and accreditation process with the CODA or a comparable accrediting body approved by the DBC. (BPC § 1636.4)

6) Allows an individual who has not graduated from a dental school approved by the DBC or CODA to apply for licensure if they meet certain other requirements, including possession of a current license to practice dentistry from another state and either 5,000 hours of clinical practice or a two-year pending contract to work in an underserved California clinic or accredited dental education program. (BPC § 1635.5)

7) Establishes the Licensed Dentists from Mexico Pilot Program, previously established as a component of the Licensed Physicians and Dentists Pilot Program, which requires the DBC to issue a three-year nonrenewable permit to practice dentistry to no more than 30 dentists from Mexico who meet specified criteria. (BPC § 1645.4)

8) Establishes the Dental Hygiene Board of California (DHBC) within the DCA to administer and enforce the provisions of the Dental Practice Act relating to dental hygienists. (BPC § 1903)

9) Authorizes an RDH to perform all functions that may be performed by a registered dental assistant. (BPC § 1907)

10) Defines the practice of dental hygiene as inclusive of dental hygiene assessment and development, planning, and implementation of a dental hygiene care plan, as well as oral health education, counseling, and health screenings. (BPC § 1908(a))

11) Specifies that the practice of dental hygiene does not include the following procedures:

    a) Diagnosis and comprehensive treatment planning.

    b) Placing, condensing, carving, or removal of permanent restorations.

    c) Surgery or cutting on hard and soft tissue including, but not limited to, the removal of teeth and the cutting and suturing of soft tissue.

    d) Prescribing medication.

    e) Administering local or general anesthesia or oral or parenteral conscious sedation, except for the administration of nitrous oxide and oxygen, whether administered alone or in combination with each other, or local anesthesia.

    (BPC § 1908(b))

12) Authorizes RDHs to perform additional procedures and services under specified levels of dentist supervision. (BPC §§ 1909–1914)

13) Provides that no person other than an RDH, an RDH in alternative practice, an RDH in extended functions, or a licensed dentist may engage in the practice of dental hygiene or perform dental hygiene procedures on patients. (BPC § 1915)

14) Requires an applicant for licensure as an RDH to satisfy specified requirements, including completion of an educational program for RDHs that is approved by the DHBC, accredited by CODA, and conducted by a degree-granting, postsecondary institution. (BPC § 1917)

THIS BILL:

15) Provides that the DHBC shall certify an individual as eligible to take the dental hygiene examination given by the American Board of Dental Examiners if they have earned a degree from a nonaccredited dental school equivalent to a doctor of dental surgery or doctor of dental medicine and they meet the following requirements:

    a) Satisfactory completion of the National Board Dental Hygiene Examination and the examination in California law and ethics as prescribed by the DHBC, within the preceding five years.

    b) Satisfactory completion of coursework in the Dental Practice Act, infection control, and soft-tissue curettage, local anesthesia, and nitrous oxide-oxygen analgesia.

    c) Certification in basic life support.

16) Requires the DHBC to grant a license as an RDH to an applicant upon successful completion of the dental hygiene examination given by the American Board of Dental Examiners, and submission of a completed application form and all fees required by the DHBC.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *California Dental Association*. According to the author:

> California is facing a dental care workforce crisis that only continues to worsen, with millions of residents across the state living with inadequate access to oral health care. Meanwhile, many talented dentists trained in other countries are eager to move to California and provide care, but must first go through an additional multi-year residency program to practice dentistry. AB 1952 creates an opportunity for these foreign trained dentists to provide patients with much-needed dental hygiene services, as a licensed dental hygienist, on a much faster timeline.

Background.

Dental Board of California. The DBC is responsible for licensing and regulating dental professionals in California. The DBC was originally created as the Board of Dental Examiners in 1885. As of the DBC's most recent sunset review in 2024, the DBC licenses an estimated 112,000 dental professionals, of which approximately 43,500 are licensed dentists. The DBC is also responsible for licensing registered dental assistants and setting the duties and functions of unlicensed dental assistants.

Statute defines dentistry as "the diagnosis or treatment, by surgery or other method, of diseases and lesions and the correction of malpositions of the human teeth, alveolar process, gums, jaws, or associated structures; and such diagnosis or treatment may include all necessary related procedures as well as the use of drugs, anesthetic agents, and physical evaluation." Dentists are health care practitioners authorized to write and issue prescriptions for controlled substances. Oral and maxillofacial surgeons are a surgically trained specialty of dentistry that have completed additional residency requirements.

Dental Hygiene Board of California. The DHBC regulates three categories of mid-level dental professionals: RDHs, RDHs in alternative practice, and RDHs in extended functions. There are currently an estimated 19,000 actively licensed RDHs in California, including 800 RDHs in alternative practice and 15 RDHs in extended functions. The DHBC is also responsible for approving the state's dental hygiene educational programs. As of the DHBC's most recent sunset review in 2023, there were 29 dental hygiene educational programs in California.

The DHBC maintains authority over all aspects of licensure, enforcement, and investigation of dental hygiene professionals in California. Previously, dental hygienists were regulated alongside other dental assisting professions under the DBC's Committee on Dental Auxiliaries. In 2002, the Joint Legislative Sunset Review Committee determined that the dental hygiene profession's roles and responsibilities justified an independent regulatory body distinct from the DBC. In 2008, legislation was enacted to establish the Dental Hygiene Committee of California (DHCC), nominally still within the jurisdiction of the DBC. In 2018, legislation was enacted to rename the DHCC as the DHBC. This name change is regarded as recognizing the DHBC as an independent, semiautonomous state agency and not a subdivision of another entity, and operating within the DCA. Today, California remains the only state in the country to regulate dental hygienists under a fully separate, stand-alone board.

Dental hygiene practice includes dental hygiene assessment and development, planning, implementation of a dental hygiene care plan, health education, counseling, and health screenings. Dental hygiene does not include diagnosis or comprehensive treatment planning, placing or removal of permanent restorations, surgery, prescribing medication, or administering anesthesia or conscious sedation. Only dental hygienists licensed by the DHBC and dentists licensed by the DBC are authorized to engage in the practice of dental hygiene or perform dental hygiene procedures on patients.

Oral Health Care Provider Access Gaps and Inequities. California continues to face an urgent crisis in regards to its dental health professional workforce. While historically California has been home to the highest number of dentists per capita in the United States, the state nevertheless has struggled with dental care accessibility. Approximately 2.2 million Californians reside in areas designated as dental health professional shortage areas.[1] According to the California Future Health Workforce Commission, the state is projected to face challenges in ensuring adequate access to dental care by 2030, not due to a lack of dentists overall, but because of a maldistribution of the dental workforce.[2]

This access gap is exacerbated by the underrepresentation of linguistically and culturally competent dentists; while 40 percent of California's population is Latino/x, research has found that only 8% of the state's dentists are identified as Latino/x or Black.[3] The lack of Spanish-speaking dental professionals contributes to persistent access failures for vulnerable communities in California such as farmworkers. The Farmworker Health Survey conducted by researchers at the University of California, Merced found that only 35 percent of farmworkers had visited the dentist in the past year.[4]

Approval of Foreign Dental Education. Applicants for licensure as dentists in California are required to submit proof to the DBC that they have met specified requirements based on the pathway to licensure for which they are applying. With the exception of the Licensure by Credential pathway, all applicants must demonstrate that they have "completed at dental school or schools the full number of academic years of undergraduate courses required for graduation." For schools located within the United States and Canada, the DBC has long accepted the findings of CODA, an accrediting body within the American Dental Association, when they approve or reapprove a dental school located within the United States. These schools are accredited and re-evaluated by CODA every seven years.

Prior to 2015, CODA did not offer an accreditation process for foreign dental schools located outside the United States and Canada. Education programs offered outside those countries could therefore not become approved through the same CODA process. As a result, foreign-trained dental students could not present their degrees to the DBC for purposes of applying for licensure as dentists through the typical pathways.

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[1] University of California Office of the President. *Dentistry in California: Workforce and Access to Care*. https://www.ucop.edu/uc-health/reports-resources/profession-specific-reports/dentistry1.pdf
[2] *Meeting the Demand for Health: Final Report of the California Future Health Workforce Commission*. University of California, San Francisco, 2019.
[3] UCLA Center for Health Policy Research. *Barriers to Accessing Dental Care for Low-Income Californians*. https://healthpolicy.ucla.edu/newsroom/blog/report-identifies-barriers-accessing-dental-care-low-income-californians
[4] UC Merced, *Farmworker Health Study: Assessing the Health and Well-Being of California's Farmworkers*. February 2023. https://clc.ucmerced.edu/sites/clc.ucmerced.edu/files/page/documents/fwhs_report_2.2.2383.pdf

In 1997, Assembly Bill 1116 (Keeley) was enacted to create a new accreditation process for foreign dental schools through the DBC. Under the bill, schools seeking approval would apply to the DBC for a determination as to whether its educational program is "equivalent to that of similar accredited institutions in the United States and adequately prepares its students for the practice of dentistry." The DBC would perform an evaluation of the school in consultation with a technical advisory group and could subsequently issue a provisional and then full approval. Once a foreign dental school was approved by the DBC, its graduates would immediately be eligible for licensure in California and would no longer be required to complete two additional years of dental education prior to taking the examination.

Between 1997 and 2019, only two foreign dental schools were ever approved by the DBC. The first, La Universidad De La Salle Bajío ("De La Salle") was first approved in 2004 and is located in Leon, Guanajuato, Mexico. The second, the State of Medicine and Pharmacy "Nicolae Testemintanu" of the Republic of Moldova, received a two-year provisional approval in December 2016 and full approval in May 2018. While the DBC conducted site visits for one other applicant, no other schools were ever approved.

In November 2015, the American Dental Association House of Delegates officially established the CODA Standing Committee on International Accreditation (SCIA) to replace the prior Joint Advisory Committee on International Accreditation. Through the SCIA, CODA began to receive requests for fee-based requests for consultation from international dental education programs. This meant CODA had established a review and approval process for foreign dental schools from the same accrediting entity that had long approved schools located within the United States and Canada.

Following the establishment of the CODA accreditation program for international dental schools, the DBC formally recommended that the Legislature require foreign dental schools to successfully complete the CODA international consultation and accreditation process. The DBC's 2019 sunset bill was subsequently amended by to transition the responsibility for approving foreign dental schools from the DBC to CODA. The DBC's sunset bill required that the board cease accepting new applications from foreign dental schools beginning January 1, 2020, and that the board instead direct schools to CODA to apply for their accreditation. Both foreign dental schools previously approved by the DBC were scheduled to remain approved until January 1, 2024, by which time they would have to have received CODA accreditation. The provisions transitioning foreign dental schools to CODA accreditation included specific language to ensure graduates of schools whose programs were approved at the time of graduation remained eligible for licensure by the DBC.

Pathways to Licensure for Internationally Trained Dentists. If an internationally trained dentist obtained their degree from a foreign dental school that has not been approved by CODA, there are currently several pathways they can take to obtain a license from the DBC. The most common route is completion of an International Dentist Program (IDP), also known as an advanced standing program, at a dental school located within the United States. These programs are designed to allow foreign-trained dentists to enter the second or third year of a Doctor of Dental Surgery (DDS) or Doctor of Dental Medicine (DMD) program, culminating in a CODA-accredited degree. Graduates must then satisfy specified examination requirements. While this pathway is widely recognized and provides a comprehensive integration into the American dental education system, it is also highly competitive, costly, and time-intensive.

Another pathway is the DBC's Licensure by Residency process allows internationally trained dentists to obtain a license without completing a full DDS or DMD program in the United States. Under this route, candidates must complete at least two years in a DBC-approved postgraduate residency program—most commonly a General Practice Residency (GPR) or Advanced Education in General Dentistry (AEGD)—at an accredited institution. In addition to residency training, applicants must meet examination requirements similar to those in the IDP pathway. This pathway can be shorter and less expensive than an IDP, but positions in qualifying residencies are limited and often highly competitive, particularly for internationally trained applicants.

Both of these pathways are very competitive and often cost-prohibitive for many internationally trained dentists. For internationally trained dentists who are able to participate in an IDP or residency program, completion often takes multiple years, during which time the participant is not able to practice within the dental profession. The author contends that this both creates a hardship for the internationally trained dentist and deprives California communities of potential contributions to the oral health care workforce.

This bill would establish a process by which an internationally trained dentist can apply for licensure as an RDH through the DHBC. While dental hygienists are a critical component of the oral health workforce, working as part of a dental team to deliver essential preventive care and patient education, there is purported to be a significant dental hygienist shortage in California. According to professional surveys, approximately 95 percent of dentists have reported difficulty hiring dental hygienists. This gap is expected to worsen as the number of dentists is believed to be growing at nearly triple the rate of dental hygienists.

An applicant for RDH licensure under this bill would be required to submit verification from Educational Credential Evaluators confirming the academic equivalence of the applicant's dental degree to a United States dental hygiene degree. The applicant would be required to complete both the National Board Dental Hygiene Examination and the examination in California law and ethics as prescribed by the DHBC. Additionally, applicants would be required to complete the following within the preceding two years:

1) A two-unit Dental Practice Act course approved by the DBC.

2) An eight-unit infection control course approved by the DBC.

3) A soft-tissue curettage, local anesthesia, and nitrous oxide-oxygen analgesia course approved by the dental hygiene board.

4) Current, valid certification in basic life support.

The author believes that by allowing skilled dentists trained in other countries to provide dental hygiene services in California, this bill would meaningfully address the dental care gap, increase cultural and linguistic competency within the oral health workforce, and provide a pathway to economic opportunity to immigrant professionals.

Current Related Legislation. AB 1307 (Ávila Farías) would reestablish the Licensed Dentists from Mexico Pilot Program and revise various requirements contained within the existing pilot program relating to the temporary state licensure of dental professionals from Mexico. *This bill is pending in the Senate Committee on Business, Professions, and Economic Development.*

ARGUMENTS IN SUPPORT:

The *California Dental Association* (CDA) is the sponsor of this bill. According to the CDA: "California has a substantial pool of internationally trained dentists (ITDs) whose clinical training, experience, and cultural and linguistic competencies remain underutilized. While six California dental schools have programs allowing ITDs to earn their dental license, these costly and competitive programs receive thousands of applicants each ear for a small fraction of seats available. Despite meeting or exceeding the educational level of hygiene curriculum, ITDs currently have no pathway into the dental hygiene profession. As a result, highly trained clinicians are forced to restart their careers or exit the dental field entirely, even as dental practices report ongoing difficulty hiring hygienists across the state. AB 1952 aims to resolve these issues by establishing a competency-based licensure track into dental hygiene."

CPCA Advocates, the advocacy affiliate of the California Primary Care Association, writes in support of this bill: "California continues to experience significant gaps in access to dental services, particularly in low-income and rural communities. Workforce shortages—especially in preventive oral health roles—remain a key driver of these disparities. AB 1952 offers a thoughtful approach to expanding the dental workforce by leveraging the skills and training of internationally educated dental professionals already residing in California." CPCA Advocates further writes: "For community health centers, this bill has the potential to significantly improve access to care."

ARGUMENTS IN OPPOSITION:

The *California Dental Hygienists' Association* (CDHA) opposes this bill. The CDHA writes: "The proponents are attempting to address two issues with this bill. Dental hygienist staffing and creating a new pathway for internationally trained dentists to work in California. Internationally trained dentists come to California with the objective of practicing dentistry. The solution is to create a restricted dental license for internationally trained dentists while they work to become licensed dentists in California. A restricted dental license would allow dental hygiene duties, which are included in a dental license, along with limited restorative duties. The dentist operating under the restricted dental license would practice under the supervision of a licensed dentist, who would then receive dental hygiene support from the dentist working under the restricted license if desired. The Dental Board of California is the ideal regulator for a restricted dental license and a pathway for internationally trained dentists."

The *Dental Hygiene Board of California* also opposes this bill, writing: "The Dental Hygiene Board of California (DHBC) recently conducted a public meeting where our members voted on AB 1952 (as introduced on February 13, 2026) to take an Oppose, unless Amended position. The reason for this position is because the proposed provisions in the bill require the DHBC to license internationally trained dentists (ITD) as dental hygienists once the stated licensure requirements are fulfilled. The DHBC believes the bill should be amended to have the Dental Board of California (DBC) oversee the ITDs and not the DHBC because they are dentists in their respective countries, not dental hygienists."

AMENDMENTS:

At the request of the author, amend subdivision (a) of the bill to strike the words "equivalent to a doctor of dental surgery or doctor of dental medicine."

REGISTERED SUPPORT:

California Dental Association *(Sponsor)*
California Association of Oral and Maxillofacial Surgeons
California Primary Care Association
Three individuals

REGISTERED OPPOSITION:

American Dental Hygienists' Association
California Dental Hygienists' Association
Dental Hygiene Board of California
One individual

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Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2010 (Soria) – As Amended March 19, 2026

SUBJECT: Veterinary medicine: veterinary surgery premises: spay and neuter services.

SUMMARY: Specifies that "high-quality, high-volume spay or neuter services", as defined, that are performed in a registered veterinary premises are not required to comply with specified standards, including the requirement for a separate room for aseptic surgeries.

EXISTING LAW:

1) Provides for the regulation of veterinary medicine under the Veterinary Medicine Practice Act (Act), which outlines the licensure requirements, scope of practice, and responsibilities of individuals practicing animal health care tasks in the state. (Business and Professions Code (BPC) § 4800 *et seq.*)

2) Establishes the CVMB under the jurisdiction of the Department of Consumer Affairs (DCA), responsible for enforcing the Act, and regulating veterinarians, registered veterinary technicians (RVTs), Veterinary Assistant Controlled Substance Permit (VACSP) holders, and veterinary premises until January 1, 2026. (BPC §§ 4800-4811)

3) Requires that all veterinary premises be registered with the CVMB. (BPC § 4853)

4) Defines "premises" as "the location of operation where veterinary medicine, veterinary dentistry, veterinary surgery, and the various branches thereof is being practiced and shall include a building, kennel, mobile unit, or vehicle." (BPC § 4853(b))

5) Requires that all premises where veterinary medicine, dentistry, or surgery is practiced, and all instruments, apparatus and apparel used in connection with those practices, shall be kept clean and sanitary at all times, and shall conform to those minimum standards established by the CVMB. (BPC § 4854)

6) Establishes minimum standards that veterinary premises shall maintain, including but not limited to:

   a) A requirement that veterinary medical equipment used to perform aseptic procedures shall be sterilized and maintained in a sterile condition,

   b) A requirement that anesthetic equipment in accordance with the procedures performed shall be maintained in proper working condition and available at all times, and

   c) A requirement that appropriate drugs and equipment shall be readily available to treat an animal emergency.

   (California Code of Regulations, Title 16 (16 CCR) Div. 20, § 2030(a))

7) Establishes further requirements for veterinary premises providing aseptic surgical services, including but not limited to:

    a) A prohibition on open shelving in the surgical room,

    b) A requirement to provide a means for viewing diagnostic imaging during surgery,

    c) A requirement that, in any sterile procedure, a separate sterile pack shall be used for each animal, and

    d) All instruments, packs, and equipment that have been sterilized shall have an indicator that reacts to and verifies sterilization.

    (16 CCR Div. 20, § 2030(b))

8) Requires that a mobile veterinary premises that provides aseptic surgical services shall have a room, separate and distinct from other rooms, reserved for aseptic surgical procedures which require aseptic preparation. (16 CCR Div. 20 § 2030.2(c)(1))

THIS BILL:

1) Establishes that "high-quality, high-volume spay or neuter services", as defined, shall not be required to comply with the following premises standards:

    a) A requirement for a separate room that is reserved for aseptic surgical procedures that require aseptic preparation,

    b) A prohibition on open shelving in the area in which the aseptic surgical sterilization procedure is performed, and

    c) A requirement for equipment for viewing radiographs.

2) Defines "high-quality, high-volume spay or neuter services" as "the aseptic surgical sterilization by a veterinarian, including the supervision by the veterinarian of presurgical preparation and recovery of the animals, of 20 or more dogs, cats, or rabbits, or any combination thereof, within 12 consecutive hours."

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is co-sponsored by the *American Society for the Prevention of Cruelty to Animals (ASPCA),* the *San Diego Humane Society and SPCA,* the *San Francisco SPCA,* and *Animal Balance.* According to the author:

> California's pet overpopulation crisis continues to strain communities across the state. The challenge is particularly acute in rural regions throughout the Central Valley, where access to affordable spay and neuter services may be hours away and out of reach for many families. While advancements in veterinary surgical practices offer hope in addressing this growing crisis, California regulations prevent High-Quality, High-Volume Spay and Neuter (HQHVSN) services from being used to its maximum potential, dramatically limiting its

ability to provide relief to the communities that need it the most. AB 2010 provides a practical solution by removing unnecessary regulatory barriers to HQHVSN, while still upholding high standards of care and safety. This provides a simple, common-sense fix to allow HQHVSN at the scale needed to meet the public need, relieve our overcrowded shelters and save the lives of countless animals.

Background.

Efforts to Encourage Pet Sterilization. Over the past several years, California has made efforts to humanely reduce animal overpopulation and encourage the spay and neuter of dogs and cats across the state. In 1998, the Legislature enacted Senate Bill 1785 by Senator Tom Hayden, which formally established that the State of California's policy is "that no adoptable animal should be euthanized if it can be adopted into a suitable home" and "that no treatable animal should be euthanized." As part of these goals, and overall efforts to reduce pet overpopulation that leads to euthanasia, this bill and subsequent legislation established a mandate that no public or private animal shelter, humane society, rescue group or other nonprofit shall adopt out any dog or cat that has not been sterilized, subject to very limited exceptions.

Since 2012, California has established two primary funding streams to support animal welfare and sterilization. The Pet Lover's License Plate program directs specialty plate proceeds to a grant program for low-cost or no-cost animal sterilization at eligible veterinary facilities. In 2023, this program distributed approximately $488,000, with individual awards ranging from $25,000 to $50,000. Additionally, AB 485 created a voluntary tax return checkoff in 2015 for the Prevention of Animal Homelessness and Cruelty Fund. These funds assist local animal control agencies and shelters in their efforts to eliminate pet homelessness and provide spay and neuter services. In 2022, the checkoff generated over $308,000, resulting in roughly $250,000 in grants with individual awards between $7,500 and $22,500

More recent, after a successful campaign by the sponsor of this bill and the VMB, a Pet Lover's License Plate program was established in 2012, and in 2014, SB 1323 (Lieu) was enacted to allocate the proceeds from purchases of this specialty license plate to fund a grant program to eligible veterinary facilities that offer low-cost or no-cost animal sterilization services under the VMB. The most recent distribution of grant funding in 2023 allocated approximately $488,000. This consisted of an estimated amount of $25,000 – $50,000 per award.

The Legislature enacted AB 485 (Williams) in 2015 to create a voluntary tax return checkoff to provide revenue to a Prevention of Animal Homelessness and Cruelty Fund. This checkoff allocates money to local animal control agencies and shelters to support spay and neuter activities and to prevent and eliminate dog and cat homelessness. In 2022, a total of $308,449 was contributed through the checkoff, and approximately $250,000 was awarded that year to eligible agencies, with an estimated amount of $7,500 – $22,500 per award.

In February of 2022, the California for All Animals program was launched to advance marketing and outreach efforts designed to engage shelters in every region of the state that met the goals outlined in the Animal Shelter Assistance Act. $15.5 million in grant awards have since been awarded, along with $12.5 million for in-person visits, trainings, outreach, and program expenses. Grant funding is prioritized for programs to increase low-cost and free spay/neuter services, access to low cost and free veterinary care to prevent owner relinquishment to animal shelters, and programs that reunite lost pets with their owners and incentivize making adoption accessible for all communities.

In 2023, the Assembly and Senate passed ACR 86 authored by Assemblymember Kalra. This resolution puts a spotlight on the national and statewide pet overpopulation crisis, noting the increase in pet adoptions and purchases throughout the COVID-19 pandemic which exacerbated these issues. This resolution also notes the lack of low-cost and free spay and neuter options, as well as disparities in access to veterinary care. This resolution made a commitment to pursue policies that increase the availability of low-cost, high volume spay and neuter and encourage more out-of-state veterinarians and RVTs to perform and assist with sterilization.

Most recently, the Legislature passed SB 1233 (Wilk, Chapter 613, Stats. Of 2024), which authorizes veterinary schools in California to develop and offer a high-quality, high-volume spay and neuter certification program as elective coursework to enrolled students. Among other requirements, the program would need to make low- or no-cost sterilization services available to the public, with priority access based on "socioeconomic status", while ensuring the training and care provided by the program is consistent with generally accepted standards in the profession. There are currently two accredited veterinary schools in California: the UC Davis School of Veterinary Medicine, and the Western University of Health Sciences. Notably, UC Davis oversees the Koret Shelter Medicine Program (KSMP), with research specializing in the state's adoption outcomes and shelter management improvement. Among other research projects and initiatives, KSMP administers the $50 million "California for All Animals" grant program established in the 2020-21 budget which aims to fulfill the state's goal that no healthy animal is euthanized in a shelter.

Registered Veterinary Premises. Notwithstanding rare circumstances, all veterinary medicine in California must be rendered at a registered veterinary premises. Premises can include a building, kennel, mobile unit, or vehicle. Additionally, a mobile unit or vehicle can operate without the need for independent registration if they operate from a building or facility that is, in itself, a registered veterinary premises. In order to obtain a veterinary premises registration, the owner must submit an application that includes the name of each owner or operator of the premises, including the type of corporate entity, if applicable, the name of the premises, and the name of the responsible licensee manager who is to act for and on behalf of the registered premises.

Moreover, current law requires that all premises where veterinary medicine, dentistry, or surgery is being practiced, and all instruments, apparatus and apparel used in connection with those practices, be "kept clean and sanitary at all times", and conform to minimum standards established by the CVMB. These standards, contained in 16 CCR Div. 20, Section 2030, require that among other things, anesthetic equipment in accordance with any procedures performed shall be maintained in proper working condition and available at all times, and that all premises have appropriate drugs and equipment readily available to treat an animal emergency. Regulations further establish that, specific to a veterinary premises that provides aseptic surgical services, there must be a means for viewing diagnostic imaging during surgery, and that open shelving is prohibited in the surgical room, among other requirements. Finally, regulations further mandate that a mobile veterinary premises that provides aseptic surgical services shall have a room that is distinct from the others and specifically reserved for such procedures.

While workable for most scenarios of veterinary medicine, the author and sponsors of this bill argue that current veterinary premises regulations are too restrictive to accommodate "high-quality, high-volume spay and neuter" (HQHVSN) procedures. Specifically, the sponsors of this measure seek to provide HQHVSN procedures in a "Mobile Animal Surgical Hospital" (MASH) setting, such as a community center or gymnasium. They contend that MASH clinics allow for a

more efficient flow of animals and exponential increase in the number of animals that can be safely and quickly sterilized. However, current veterinary premises regulations—particularly, the requirement for a separate surgical suite for aseptic procedures—make it difficult for MASH clinics to operate in temporary or community-based settings.

Sponsors such as the San Francisco SPCA and the San Diego Humane Society and SPCA would like to work with organizations like Animal Balance—a nonprofit organization that works with veterinarians to provide "pop-up" MASH clinics across the country—to provide low- and no-cost HWHVSN services across California. As such, the author and sponsors have put forward this measure to specify that HQHVSN services shall not be required to comply with certain veterinary premises regulations, including the requirement for a separate room that is reserved for aseptic surgical procedures, the requirement to maintain equipment for viewing radiographs, and the prohibition on open shelving in the area in which the aseptic surgical sterilization procedure is performed. For purposes of these exemptions, the bill defines HQHVSN services as "the aseptic surgical sterilization by a veterinarian, including the supervision by the veterinarian of presurgical preparation and recovery of the animals, of 20 or more dogs, cats, or rabbits, or any combination thereof, within 12 consecutive hours.

Current Related Legislation.

AB 1999 (Kalra) would amend the "ownership exemption" in the Veterinary Medical Practice Act; establishes "shelter veterinarian", "retired veterinarian" and "retired volunteer veterinarian" license categories and associated fees; clarifies terminology related to the practice of veterinary medicine via telemedicine; clarifies that the veterinary-client-patient relationship (VCPR) can be established on an annual basis; and requires specified information related to corporate ownership disclosures when renewing a veterinary premises registration. *This bill passed this committee unanimously, and is currently pending in the Assembly Appropriations Committee.*

AB 1733 (Lee) would specify that both six hours of self-study and four hours of pro bono spay or neuter services may be credited toward the required 36 hours of continuing education for veterinarians seeking license renewal. *This bill passed this committee unanimously, and is currently pending in the Assembly Appropriations Committee.*

Prior Related Legislation. AB 1502 (Berman, Chapter 195, Statutes of 2025) extended the sunset date for the California Veterinary Medical Board to January 1, 2030, and enacted various revisions in response to the Board's sunset review.

SB 1233 (Wilk, Chapter 613,Statutes of 2024) authorizes a California veterinary medical school to develop a high-quality, high-volume spay and neuter program to be offered as elective coursework to their students, and to make services through the program available at low- or no-cost to the public.

ARGUMENTS IN SUPPORT:

This bill is co-sponsored by the *American Society for the Prevention of Cruelty to Animals (ASPCA),* the *San Diego Humane Society and SPCA,* the *San Francisco SPCA,* and *Animal Balance.* In a joint letter of support, they write: "Every spay or neuter surgery performed today prevents countless future births. By expanding access to high-quality sterilization services, AB 2010 will reduce shelter overcrowding, decrease euthanasia, relieve financial strain on families and local governments, and improve animal welfare outcomes statewide.

This bill is supported by the *City of Sacramento.* They write: "By allowing clinics to utilize space more efficiently while continuing to follow strict surgical protocols, the bill enables veterinary teams to safely increase the number of animals that can be sterilized in a given clinic setting."

ARGUMENTS IN OPPOSITION:

This bill is opposed by *Top Cat Rescue.* They write: "Cats need all the help they can get but if HQHVSN field clinics, or MASH-style models are appropriate, those standards must be developed through the Veterinary Medical Board's multidisciplinary advisory process — not through legislation that bypasses expert oversight."

POLICY ISSUE(S) FOR CONSIDERATION:

Continued Collaboration with the CVMB. The CVMB, particularly through its Multidisciplinary Advisory Committee (MDC), have long-discussed additional ways to encourage low and no-cost sterilization in California, and to ease barriers to entry for licensees and stakeholders wishing to provide such services. Most recently, during the CVMB's April 15th, 2026 Board meeting, the MDC provided an update regarding MASH clinics, and potential recommendations for streamlining regulations to better support "pop-up" sterilization services. While deliberations are ongoing, the MDC recommends providing "specified exemptions for mobile veterinary premises from which services are solely provided at temporary "pop up" locations created for the purposes of high volume spay and neuter events."

Further, Committee staff has received letters from stakeholders concerned that this bill may supersede the CVMB's deliberative process, and may unintentionally create a "lower tier" of service for consumers who utilize MASH clinics. Nevertheless, the author and sponsors have demonstrated a continued commitment to collaborate with the CVMB through previous amendments and ongoing discussions in this Committee. As such, the author should continue to work with staff from the CVMB to ensure this bill strikes a balance between protecting animal patients and providing greater access to low-cost sterilization services.

IMPLEMENTATION ISSUES:

Services "In" a Registered Veterinary Premises. According to materials provided to Committee staff, the author and sponsors put forward this bill to authorize MASH clinics in "community centers or other accessible public locations". As currently written, however, this bill may prove to either be complicated or burdensome to implement in the intended settings. Specifically, by establishing that HQHVSN services be performed "in" a registered veterinary premises, this bill would require the respective setting where the MASH clinic is set up to register as a veterinary premises with the CVMB, including the required registration fee and application process, in order to take advantage of the exemptions. This extra administrative workload and cost may have an unintended chilling effect in identifying community partners to perform temporary MASH clinics. As such, the author should amend the bill to specify that the exemptions apply to facilities that either are registered veterinary premises, or are otherwise applicable to temporary settings where services are performed by a veterinarian employed or contracted with a veterinary premises to render HQHVSN services.

AMENDMENTS:

In order to address implementation concerns raised in the analysis, amend the bill as follows:

On page 2, after line 7:

(b) Notwithstanding any other law, high-quality, high-volume spay or neuter services performed ***either*** in a registered veterinary ~~premises~~ ***premises, or by a veterinarian employed or contracted with a veterinary premises in a temporary setting***, shall not be required to ~~comply~~ ***take place in a facility that complies*** with any of the following standards:

(1) A requirement for a separate room that is reserved for aseptic surgical procedures that require aseptic preparation.

(2) A prohibition on open shelving in the area in which the aseptic surgical sterilization procedure is performed.

(3) A requirement for equipment for viewing radiographs.

REGISTERED SUPPORT:

Animal Balance *(Co-Sponsor)*
American Society for the Prevention of Cruelty to Animals (ASPCA) *(Co-Sponsor)*
San Diego Humane Society and SPCA *(Co-Sponsor)*
San Francisco SPCA *(Co-Sponsor)*
Ace of Hearts Dog Rescue
Animal Legal Defense Fund
Animal Resource Center of the Inland Empire
Animalsave
Asap CATS
Bay Area CATS
Berkeley-east Bay Humane Society
Best Friends Animal Society
Better World Rescue
California Animal Welfare Association
City of Chowchilla
City of Firebaugh
City of Huron
City of Kerman, CA
City of Madera
City of Mendota
City of Rancho
Cordova
City of Reedley
City of Sacramento
City of San Joaquin
County of Riverside
Eastwood Ranch Foundation
Forgotten Felines of Sonoma County
Friends of Colusa County Animal Shelter

Frosted Faces Foundation
Humane Society of Imperial County
Humane Veterinary Medical Alliance (HUMANEVMA)
Humane World for Animals
Inland Valley Humane Society & SPCA
Island Cat Resources and Adoption
Joybound People & Pets
Madera County Animal Services
Norcal GSP Rescue
Oakland Animal Services
Orange County Animal Allies
Peninsula Humane Society & SPCA
Pets in Need
Rancho Coastal Humane Society
Ridgecrest Animal Shelter
Sacramento SPCA
Santa Barbara Humane Society
Santa Cruz County Animal Shelter
Sequoia Humane Society
The Dancing Cat
The Paw Mission
Town of Apple Valley Animal Services
Valley Humane Society

REGISTERED OPPOSITION:

Cats About Town
Top Cat Rescue

Analysis Prepared by: Edward Franco / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2195 (Celeste Rodriguez) – As Introduced February 19, 2026

NOTE: This bill is double referred and passed out of the Assembly Judiciary Committee on April 7, 2026, on a 9-3-0 vote.

SUBJECT: Child support: license suspensions.

SUMMARY: Prohibits the Department of Child Support Services (DCSS) from notifying the Department of Consumer Affairs, the State Bar of California, the Department of Real Estate, the Secretary of State, and the Department of Fish and Wildlife that a license holder owes child support for the purpose of withholding or suspending a license, if the person's annual household income is at or below 70% of the median income for the county in which they reside, effectively barring the suspension of any license by anyone who meets that criterion.

EXISTING LAW:

1) Requires states receiving public benefit block grants to have and (and uses in appropriate cases) procedures to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of individuals owing overdue child or spousal support obligations. (42 USC § 666(a)(16))

2) Establishes the Department of Consumer Affairs (DCA) within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)

3) Specifies that "board," as used in any provision of the Business and Professions Code, refers to the board in which the administration of the provision is vested, and unless otherwise expressly provided, shall include "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency." (BPC § 22)

4) Authorizes a board to suspend a license if a licensee is not in compliance with a child support order or judgment. (BPC § 490.5)

5) Specifies that the DCSS and the local child support agency have the responsibility for promptly and effectively collecting and enforcing child support obligations. (Family (FAM) § 17500)

6) Requires local child support agencies to maintain a list of those who are more than 30 calendar days in arrears in making paying child support payments and to submit a certified list with the names, social security numbers, individual taxpayer identification numbers, or other uniform identification numbers, and last known addresses of these persons and the name, address, and telephone number of the local child support agency who certified the list to the DCSS monthly. The local child support agency shall verify, under penalty of perjury, that the persons listed are subject to an order or judgment for the payment of support and that these persons are not in compliance with the order or judgment. The local child support agency is authorized to enforce orders for spousal support only when the local child support

agency is also enforcing a related child support obligation owed to the obligee parent by the same obligor. (FAM § 17520(b))

7) Requires the DCSS to consolidate the certified lists received from the local child support agencies and, within 30 calendar days of receipt, provide a copy of the consolidated list to each board that is responsible for the regulation of licenses. (FAM § 17520(c))

8) Requires all boards to implement procedures to accept and process the list provided by the DCSS. (FAM § 17520(d))

9) Requires each board, as defined, promptly after receiving the certified consolidated list from the DCSS, and prior to the issuance or renewal of a license, to determine whether the applicant is on the most recent certified consolidated list provided by the DCSS, and specifies that the board shall have the authority to withhold issuance or renewal of the license of an applicant on the list. (FAM § 17520(e)(1))

10) Specifies that if an applicant is on the list, the board shall immediately serve notice on the applicant of the board's intent to withhold issuance or renewal of the license, as specified. (FAM § 17520(e)(2))

11) Requires the board to issue a temporary license valid for a period of 150 days to any applicant whose name is on the certified list if the applicant is otherwise eligible for a license. (FAM § 1750(e)(2)(A))

12) Specifies that upon the request of the local child support agency or by order of the court upon a showing of good cause, the board shall extend a 150-day temporary license for a period not to exceed 150 extra days, only in the case of a driver's license, other than a commercial driver's license. (FAM § 1750(e)(2)(D))

13) Allows the DCSS to, when it is economically feasible for the DCSS and the boards to do so, provide a supplemental list of these obligors to each board in cases where the DCSS is aware that certain child support obligors listed on the certified lists have been out of compliance with a judgment or order for support for more than four months. Upon request by DCSS, the licenses of these obligors shall be subject to suspension, provided that the licenses would not otherwise be eligible for renewal within six months from the date of the request. The board shall have the authority to suspend the license of any licensee on this supplemental list. (FAM § 17520(e)(3)(A))

14) Requires the board to immediately serve notice on the licensee that the license will be automatically suspended 150 days after notice is served, unless compliance is achieved. (FAM § 17520(e)(3)(B))

15) Requires the DCSS to prescribe release forms for use by local child support agencies. When the obligor is in compliance, the local child support agency must mail to the applicant and the appropriate board a release stating that the applicant is in compliance. A board that has received a release from the local child support agency shall process the release within five business days of its receipt. (FAM § 17520(l)(1))

16) Provides that when the local child support agency determines, subsequent to the issuance of a release, that the applicant is once again not in compliance with a judgment or order for

support, or with the terms of repayment, the local child support agency may notify the board, the obligor, and the DCSS that the obligor is not in compliance. (FAM § 17520(l)(2))

17) Authorizes the DCSS, when it is economically feasible for the DCSS and the boards to develop an automated process for complying, to notify the boards that the obligor is once again not in compliance. Upon receipt of this notice, the board must immediately notify the obligor that the obligor's license will be suspended on a specific date, and this date shall be no longer than 30 days from the date the form is mailed. The obligor shall be further notified that the license will remain suspended until a new release is issued. (FAM § 17520(l)(3))

18) Defines "board" to mean an entity specified in Section 101 of the Business and Professions Code, the entities referred to in Sections 1000 and 3600 of the Business and Professions Code, the State Bar of California, the Department of Real Estate, the Department of Motor Vehicles, the Secretary of State, the Department of Fish and Wildlife, and any other state commission, department, committee, examiner, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession, or to the extent required by federal law or regulations, for recreational purposes. (FAM § 17520(a)(2))

19) Provides that "license" includes membership in the State Bar of California, and a certificate, credential, permit, registration, or any other authorization issued by a board that allows a person to engage in a business, occupation, or profession, or to operate a commercial motor vehicle, including appointment and commission by the Secretary of State as a notary public. "License" also includes any driver's license issued by the Department of Motor Vehicles, any commercial fishing license issued by the Department of Fish and Wildlife, and to the extent required by federal law or regulations, any license used for recreational purposes. (FAM § 17520(a)(5))

THIS BILL:

1) Expands the existing prohibition on the DCSS notifying the Department of Motor Vehicles of obligors found to be out of compliance with a judgment or order for support, if the annual household income of the support obligor is at or below 70 percent of the median income for the county in which the support obligor is believed to reside, to all boards, as defined in FAM § 17520.

2) Repeals an exemption for commercial driver's licenses that was to take effect on January 1, 2027.

3) Deletes an obsolete date and makes other technical and conforming changes.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *Truth and Justice in Child Support Coalition,* which includes the *Coalition of California Welfare Rights Organizers*, *End Child Poverty California*, and *Western Center on Law and Poverty.* According to the author:

> [This bill] addresses a counterproductive feature of current child support enforcement law. Today, occupational license suspension can be used against working parents, even when losing that license may prevent them from working and earning the income needed to make child support payments in the first place. If we truly want to improve compliance and support families, we should not be undermining a parent's ability to maintain employment. [This bill] would end occupational license suspensions as an enforcement tool for noncustodial parents whose income is below 70 percent of the Area Median Income. This bill follows the model established by SB 1055 in 2022, which adopted the same 70 percent threshold in the driver's license context. [This bill] extends that same commonsense approach to occupational licenses and moves child support enforcement in a direction that is more fair, more practical, and more aligned with the goal of supporting children and families.

Background.

Child Support Order. Child support is the ongoing financial contribution to help pay for a child's or children's living and medical expenses until they are adults. The amount that must be paid is set by a court and is called the child support order. A child support order is enforceable by suspension of one's driver's license, passport, professional or occupational licenses, and recreational (e.g., fishing and hunting) licenses; bank and property liens; interception of tax refunds and lottery winnings; and civil contempt charges.

License Suspension. When a noncustodial parent is more than 30 days in arrears on child support payments, the local child support agency includes their name and information on a certified list provided to the DCSS. DCSS consolidates the certified lists from local child support agencies. Pursuant to existing law, DCSS and DCA have an Inter-Agency Agreement to effectuate the suspension of occupational licenses issued by a board or bureau under DCA. Every month, DCSS provides DCA with two lists: one list identifies individuals who are not in compliance with a child support order or judgment, and the second list identifies individuals whose licenses have been suspended previously for failure to pay child support and who are non-compliant with a child support order or judgment again. Upon receipt of the certified lists from DCSS, the Family Support Unit in DCA's Office of Information Services automatically processes the lists for all licensing entities under DCA. When matches are identified, notification letters are automatically generated. Notification letters specify one of the following:

- The board or bureau's intent to withhold the issuance of a new license or the renewal of a license, and to issue a temporary license valid for 150 calendar days if the individual is more than 30 days in arrears on child support payments but has never had their license suspended for failure to pay child support.

- The board or bureau's intent to automatically suspend the license in 150 calendar days if the individual has been out of compliance for more than four months, but the license has not been suspended previously for failure to pay child support.

- The board or bureau's intent to automatically suspend the license for 30 days if the license has previously been suspended for failure to pay child support and the individual is out of compliance again.

Licenses are suspended indefinitely until the license expires or until compliance with the support order is achieved and the applicable local child support agency initiates the release of the license, whichever occurs first. If the applicable local child support agency initiates a release, the board or bureau will issue a new license, renew a prior license, or reinstate a suspended license within five business days if the individual is otherwise eligible for a license.

Driver's Licenses. Existing law prohibits DCSS from sending the Department of Motor Vehicles, for the purposes of denying, withholding, or suspending a driver's license, the information of someone who is out of compliance with a child support order, if their annual household income is at or below 70 percent of the county median income where they reside. Beginning January 1, 2027, this prohibition will apply only to noncommercial driver's licenses.

This bill would expand this prohibition to all boards and bureaus under DCA, the State Bar of California, the Department of Real Estate, the Department of Motor Vehicles, the Secretary of State, the Department of Fish and Wildlife, and any other state commission, department, committee, examiner, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession, or to the extent required by federal law or regulations, for recreational purposes. In effect, this bill would prohibit suspending an occupational or recreational license if the license holder falls below the 70 percent income threshold. According to the author's office, this would help reduce inequities by preventing low-income parents from losing the licenses they need to work and earn income.

Prior Related Legislation. AB 1383 (Ortega) of 2023 would have required the Contractors State License Board (CSLB) to adopt regulations to suspend or withhold a license if an applicant or the qualifying individual, responsible managing officer, or responsible managing employee for the license is not in compliance with a child support order. *That bill died pending a hearing in this committee after the hearing was canceled at the author's request.*

SB 1055 (Kamlager), Chapter 830, Statutes of 2022, prohibits the DCSS from seeking the denial, withholding, or suspension of a driver's license from low-income child support obligors, as specified, until January 1, 2027, after which this restriction only applies to noncommercial driver's licenses.

AB 923 (Speier), Chapter 906, Statutes of 1994, required district attorneys to maintain lists of individuals not in compliance with a child support court order or judgment and to submit those lists with specified information to the State Department of Social Services; required the State Department of Social Services to consolidate the lists received from the district attorneys, and within 30 calendar days of receipt, provide a copy of the consolidated list to each board which is responsible for the regulation of licenses; required the boards to implement procedures to accept and process the consolidated lists provided by the State Department of Social Services; authorized boards to suspend a license if a licensee is not in compliance with a child support order or judgement; and required boards to notify an applicant of the board's intent to withhold issuance or renewal of the license.

ARGUMENTS IN SUPPORT:

As co-sponsors of this bill, the *Western Center on Law and Poverty*, *End Child Poverty California*, and the *Coalition of Welfare Rights Organizations* collectively write in support:

> Current law requires occupational boards, upon receiving a list of names from the Department of Child Support Services, to deny or suspend licenses of any parent who is behind in making child support payments, regardless of any other circumstances. AB 2195 will end the overbroad and punitive impact of existing law, and it will reform an ineffective, costly and administratively burdensome requirement that creates distrust between parents and the child support system, undermining the state's goal of improving the well-being of children and families. Current law is illogical and counterproductive. If we want families to receive child support payments, we must not hinder the ability of the noncustodial parent to earn a decent wage.
>
> This bill is modeled on the successful passage of SB 1055 (Kamlager) in 2022 which limited driver's license suspensions as an enforcement action for unpaid child support to cases where parents' income was above 70% of the Area Median Income (AMI). An Orange County evaluation of SB 1055 found that after implementing SB 1055, Orange County's child support agency experienced no significant impact on collections—in fact, collections increased. Additionally, limiting license suspensions to parents resulted in significant administrative savings for the county agency, equal to two full time case workers. California has other more effective tools to collect child support, such as wage garnishments and tax refund offsets.
>
> Interfering with a parent's ability to earn income by suspending their occupational license, hamper's their ability to pay child support. It is time to end this policy which does not support children and families.

ARGUMENTS IN OPPOSITION:

In opposition, the *California Child Support Association* (CalCSA) writes:

> CalCSA shares the Legislature's interest in ensuring enforcement tools are used appropriately and do not create unnecessary barriers to employment. However, [this bill] goes too far by broadly exempting an expansive category of licensing consequences for child support noncompliance based solely on an income threshold, undermining a longstanding accountability tool that can be critical to securing support for children. [This bill] would apply the exclusion to the full scope of "licenses" described in Family Code section 17520, an expansive definition that reaches well beyond driver's licenses.
>
> CalCSA's standard practice is to work directly with participants to resolve cases in a way that supports continued employment which most often results in timely license releases so there is no suspension. We do not want to create barriers to work. When license suspension authority is used, it is typically to help ensure a non-paying parent is formally seeking employment and, where appropriate, accessing free vocational training and job-placement assistance through their local workforce job center. For those less familiar with the child support program, the primary value of this longstanding authority is that it helps initiate meaningful discussions about realistic options to better support children, taking into account the actual circumstances in a person's life.

CalCSA's concerns with [this bill] include the following:

1. Selective enforcement that harms children in the lowest-income families. By exempting enforcement consequences for obligors under the 70% county median income threshold, [this bill] risks reducing the tools available to secure compliance for families who may already receive lower support orders reflecting ability to pay yet still rely on that support for basic necessities.

2. Increased reliance on public assistance and cost shifting to taxpayers. When child support collections fall, more families may turn to safety-net programs (including CalWORKs/TANF and CalFresh/SNAP), shifting costs to the state and federal governments rather than the responsible parent which runs contrary to the child support program's goals of reducing poverty and increasing family self-sufficiency.

3. Potential equal protection and fairness concerns. The bill creates disparate treatment between obligors who exceed the 70% income threshold and would remain subject to license enforcement, and those who fall below that threshold and would be exempt from enforcement. This disparate treatment raises concerns about fairness and consistency in application of the law to all child support obligors.

4. May discourage earnings potential and compliance. The proposal may incentivize some obligors to minimize earnings to preserve professional or occupational licensing privileges, at the expense of their children which runs contrary to California's policy that both parents share responsibility to support their children.

5. Operational and fiscal impacts across state licensing entities. Expanding this exclusion to all licensing boards may create additional administrative complexity and workload across numerous licensing and regulatory bodies; fiscal and operational impacts should be carefully evaluated as the bill moves through the process.

REGISTERED SUPPORT:

Truth and Justice in Child Support Coalition (Co-sponsor)
Coalition of California Welfare Rights Organizations (Co-sponsor)
End Child Poverty California (Co-sponsor)
Western Center on Law & Poverty (Co-sponsor)
Communities United for Restorative Youth Justice
Community Legal Services in East Palo Alto
Good+Foundation
Rubicon Programs
University of the Pacific McGeorge School of Law Homeless Advocacy Clinic
Young Community Developers

REGISTERED OPPOSITION:

California Child Support Association

Analysis Prepared by: Kaitlin Curry / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2311 (Schiavo) – As Introduced February 19, 2026

NOTE: This bill is double referred and previously passed the Assembly Committee on Health on a 14-0-2 vote.

SUBJECT: Health care districts: employment.

SUMMARY: Allows general acute care hospitals owned or controlled by a health care district to directly employ physicians and surgeons and charge for their professional services as an exemption from the corporate practice of medicine (CPOM) doctrine.

EXISTING LAW:

1) Establishes the Medical Board of California (MBC) within the Department of Consumer Affairs (DCA) to license and regulate physicians and surgeons under the Medical Practice Act. (Business and Professions Code (BPC) §§ 2000 *et seq.*)

2) Establishes the Osteopathic Medical Board of California (OMBC) within the DCA to license and regulate physicians and surgeons under the Osteopathic Act. (BPC §§ 2450 *et seq.*)

3) Provides that provisions of the Medical Practice Act apply to the OMBC to the extent they are consistent with the Osteopathic Act, unless otherwise provided. (BPC § 2452)

4) Provides that it is a criminal offense for any person to practice medicine or advertise themselves as practicing medicine within the scope of the Medical Practice Act without a valid license as a physician and surgeon. (BPC § 2052)

5) Provides that corporations and other artificial legal entities shall have no professional rights, privileges, or powers, which forms the statutory basis of the CPOM doctrine. (BPC § 2400)

6) Establishes exceptions to the CPOM doctrine allowing for the following facilities to employ licensees and charge for professional services, while prohibiting those entities from interfering with, controlling, or otherwise directing professional judgment:

   a) Public or nonprofit medical school clinics operated primarily for medical education;

   b) Nonprofit clinics that have been conducting medical research since prior to 1982;

   c) Narcotic treatment programs regulated by the Department of Health Care Services;

   d) Charitable hospitals that provide only pediatric subspecialty care;

   e) Federally certified critical access hospitals.

   (BPC § 2401)

7) Authorizes dental corporations to render professional services in compliance with the Moscone-Knox Professional Corporation Act. (BPC § 1800 *et seq.*)

8) Enacts the Moscone-Knox Professional Corporation Act, which authorizes the creation of professional corporations engaged in rendering professional services requiring a license. (Corporations Code §§ 13400 *et seq.*)

9) Enacts the Knox-Keene Health Care Service Plan Act, which authorizes licensed health care service plans to employ or contract with physicians and surgeons and other licensed health care professionals to provide professional services, provided that the fiscal and administrative management of the health plan demonstrates that it does not hinder medical decisions rendered by licensed health care professionals. (Health and Safety Code §§ 1340 *et seq.*)

THIS BILL:

1) Authorizes a health care district, or a nonprofit corporation with a health care district as its sole corporate member, that owns or controls a general acute care hospital to employ licensed physicians and surgeons and charge for professional services rendered by those licensees.

2) Provides that the health care district shall not interfere with, control, or otherwise direct the professional judgment of a physician and surgeon.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *Association of California Healthcare Districts*. According to the author:

> The passage of H.R. 1 will result in deep cuts to Medi-Cal patients across California. As a result, physicians contracting with high Medi-Cal volume employers face substantial revenue losses, rendering district hospitals even less competitive as employment options. Despite being the sole or closest source of health and medical services for many families and seniors, district hospitals are the only public hospitals not allowed to directly employ physicians. AB 2311 will allow wholly owned and operated public hospitals to directly hire physicians, a tool currently available to every other public hospital, FQHCs and academic medical center.

Background.

Corporate Practice of Medicine Doctrine. The CPOM doctrine broadly prohibits corporations from being licensed as health care professionals, directly employing health care professionals, or exercising control over the decision-making of licensed health care professionals in a manner that interferes with or directs their independent professional judgment. The fundamental concept of the CPOM doctrine has long been recognized by policymakers and courts in California. In 1932, for example, the California Supreme Court ruled in *Painless Parker v. Board of Dental Examiners* that a dental office corporation was in violation of license requirements under the Dental Practice Act, with the following reasoning as to why only natural persons may be licensed to practice health care:

> Dentistry is referred to in the Dental Act as a profession. The letter of the statute authorizes persons only to engage in the practice of dentistry. The underlying theory upon which the whole system of dental laws is framed is that the state's licensee shall possess consciousness, learning, skill and good moral character, all of which are individual characteristics, and none of which is an attribute of an artificial entity. Surely the state, for the better regulation of the practice of dentistry, and as a means of preventing evasions of the law, and with the object of more readily fixing statutory responsibility, has the power to limit such practice to natural persons.

The California Supreme Court's 1932 opinion additionally declared: "That a corporation may not engage in the practice of the law, medicine or dentistry is a settled question in this state."[1] Subsequent court decisions, such as in *People v. Pacific Health Corp.,* reaffirmed this holding. However, there has historically been minimal statutory law expressly governing the application of the CPOM ban. Instead, the doctrine has largely been established through further caselaw and legal opinions by attorneys general interpreting the application of laws prohibiting the unlicensed practice of medicine and other healing arts and restricting licensure to natural persons.

The Medical Practice Act has long stated the following: "Corporations and other artificial legal entities shall have no professional rights, privileges, or powers." Frequently cited in combination with provisions of practice acts reserving professional services for persons in possession of a license, this language represents the most express statutory recognition of the CPOM doctrine. However, statute further provides for various exceptions to the doctrine to allow for corporations to render professional services, including through direct employment of licensed practitioners.

For example, the Medical Practice Act authorizes the MBC to grant approval of the employment of licensees on a salary basis by licensed charitable institutions, foundations, or clinics that do not charge patients for services. Over time, legislation has been enacted to further allow for the following specified facilities to employ health care professionals under certain conditions:

- Public or nonprofit medical school clinics operated primarily for medical education;
- Nonprofit clinics that have been conducting medical research since prior to 1982;
- Narcotic treatment programs regulated by the Department of Health Care Services;
- Charitable hospitals that provide only pediatric subspecialty care;
- Federally certified critical access hospitals.

Additionally, the courts have ruled that the CPOM doctrine does not apply to agencies within the State of California or to counties, reasoning that the government is not a corporation.[2] As a result, while not expressly authorized by statute, county hospitals may directly employ health care professionals, as can state agencies such as the Department of State Hospitals. The courts have similarly recognized that the University of California is exempt from the CPOM doctrine.[3]

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[1] *Painless Parker v. Board of Dental Examiners*, 216 Cal. 285 (1932).
[2] *Estate of Miller*, 5 Cal. 2d 588 (1936).
[3] *California Medical Association v. Regents of the University of California*, 79 Cal. App. 4th 542 (2000).

Even in instances where the law allows for the direct employment of health care professionals, corporations are still generally prohibited from unduly influencing the judgment of licensees. Similar language is contained in the various CPOM exemptions within the Medical Practice Act to require that facilities "not interfere with, control, or otherwise direct a physician and surgeon's professional judgment." Statute enacted following the judicial decision in *Wickline v. State of California* further protects health care practitioners against retaliation for advocating for appropriate health care for their patients, including in an employment context.

Professional Corporations. While the CPOM doctrine generally prohibits corporations from owning or controlling health care practices, the Legislature has established a commonly utilized framework to allow for the formation of professional corporations. Under the Moscone-Knox Professional Corporations Act, physicians, dentists, and other health care professionals may join together to form a corporation authorized to render professional services requiring a license. A majority of the professional corporation's shareholders must be licensed to provide the services rendered by the corporation. The Moscone-Knox Professional Corporations Act specifies which professionals may also be shareholders in a professional corporation, provided they remain a minority of the ownership. Current law authorizes professional corporations to be established to provide the respective services of physicians and surgeons, dentists, podiatrists, psychologists, speech-language pathologists, audiologists, nurses, marriage and family therapists, licensed clinical social workers, physician assistants, optometrists, chiropractors, acupuncturists, naturopathic doctors, professional clinical counselors, physical therapists, registered dental hygienists in alternative practice, licensed midwives, and occupational therapists.

Management Services Organizations. A common architecture for health care practices involves a partnership between a professional corporations and management services organization (MSO). An MSO is a corporate entity that provides administrative and business support services to medical practices that are non-clinical in compliance with the CPOM doctrine. Services provided by an MSO may include billing, human resources, and office management. An MSO may enter into a management services agreement with a professional corporation to provide what is sometimes referred to as "back office" functions for the medical practice.

Because an MSO is not engaged in the rendering of licensed professional services, it is not subject to the restrictions of the Moscone-Knox Professional Corporations Act and its shareholders and officers are not required to be licensees. As a result, MSOs may represent investment opportunities for private equity groups and hedge funds. Research anticipates that the value of the national MSO market will exceed $100 billion by 2030.[4]

Enforcement of the CPOM Doctrine. Under current law, violations of the CPOM doctrine are generally enforceable as unlicensed practice by the appropriate licensing board for the respective profession. The MBC is the primary entity responsible for taking action when a corporation is unlawfully involved in the practice of medicine by physicians and surgeons. The MBC has published guidance on its website to educate licensees on "the types of behaviors and subtle controls that the corporate practice doctrine is intended to prevent."[5]

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[4] *Management Service Organization Market Size, Share & Trends Analysis Report*. Grand View Research, 2023.
[5] https://www.mbc.ca.gov/Licensing/Physicians-and-Surgeons/Practice-Information

As stated in the MBC's guidance, the CPOM doctrine requires the following health care decisions to be made by a licensed physician and surgeon, and would therefore constitute the unlicensed practice of medicine if performed by an unlicensed person, including a corporation:

- Determining what diagnostic tests are appropriate for a particular condition;
- Determining the need for referrals to, or consultation with, another physician/specialist;
- Responsibility for the ultimate overall care of the patient, including treatment options available to the patient; and
- Determining how many patients a physician must see in a given period of time or how many hours a physician must work.

The MBC's guidance additionally describes the types of "business" or "management" decisions and activities that must be made by a licensed physician, not by an unlicensed person or entity:

- Ownership is an indicator of control of a patient's medical records, including determining the contents thereof, and should be retained by a California-licensed physician;
- Selection, hiring/firing (as it relates to clinical competency or proficiency) of physicians, allied health staff and medical assistants;
- Setting the parameters under which the physician will enter into contractual relationships with third-party payers;
- Decisions regarding coding and billing procedures for patient care services; and
- Approving of the selection of medical equipment and medical supplies for the medical practice.

The MBC's website further explains that the types of decisions and activities described in its guidance cannot be delegated to any unlicensed person, including to an MSO. Per the MBC, a physician may consult with unlicensed persons or entities, such as MSOs, in making "business" or "management" decisions, but the physician must retain the ultimate responsibility for, or approval of, those decisions. Finally, the MBC's guidelines outlines several types of medical practice ownership and operating structures that are prohibited under the CPOM doctrine, including MSOs "arranging for, advertising, or providing medical services rather than only providing administrative staff and services for a physician's medical practice (non-physician exercising controls over a physician's medical practice, even where physicians own and operate the business)." As explained by the MBC, in cases where non-physicians act in violation of the CPOM doctrine, the physician may themselves be aiding and abetting the unlicensed practice of medicine.

Health Care District Hospitals. The Legislature enacted the Local Hospital District Law in 1945, which authorized residents to form special districts with taxing authority to build and operate hospitals where private investment was considered insufficient. As a distinct form of local government, each health care district is governed by a locally elected board of directors responsible for fiscal and operational oversight. Currently, 77 health care districts have been established, of which 33 own and operate hospitals.

According to a report by the Legislative Analyst's Office (LAO), many health care districts have experienced significant fiscal issues, with a number of health care districts filing for bankruptcy between 2000 and when the report was published in 2012.[6] In 2017, the Assembly Committee on Local Government held an informational hearing on the topic, by which time the number of health care districts that had filed for bankruptcy had risen to 14. However, some health care districts have historically been more well-funded. The Assembly Committee on Accountability and Administrative Review previously conducted several hearings on the topic in which some health care districts were criticized for not operating hospitals yet maintaining significant reserve balances.

Representatives of the state's health care districts have frequently cited challenges with competing with private hospitals and other nonpublic health facilities as a significant concern. While financial pressures like growing workforce costs and infrastructure maintenance impact all providers of health care, health care districts typically lack the benefit of scale that often enables larger systems to remain competitive in an increasingly consolidated health care market. Health care district hospitals have reported difficulties specifically attracting and recruiting specialists like OBGYNs and cardiologists. Meanwhile, recent federal actions will likely result in substantial cuts to Medi-Cal, which health care district hospitals have grown increasingly dependent on for revenue.

This bill would establish an exemption from the CPOM doctrine for health care district hospitals by allowing district hospitals to directly employ and charge for professional services rendered by licensed physicians and surgeons. District hospitals are currently the only public hospitals not allowed to directly employ physicians. Existing law already exempts critical access hospitals, which includes an estimated 17 hospitals owned and operated by health care districts. This bill would allow for the remaining 16 district hospitals to take advantage of the same exemption to the CPOM doctrine as other public hospitals, which the author contends will allow them to more successfully compete with large and for-profit systems by enabling them to offer attractive salaries, benefits, and schedules for physician employees.

Prior Related Legislation. SB 784 (Becker) of 2023 would have exempted health care district hospitals from the CPOM doctrine, enabling these hospitals to directly employ physicians. *This bill was held in the Senate Committee on Appropriations.*

AB 242 (Wood), Chapter 641, Statutes of 2023 permanently authorized a federally certified critical access hospital to employ physicians as an exception to the CPOM doctrine.

AB 2024 (Wood), Chapter 496, Statutes of 2016 established the exception to the CPOM doctrine to allow federally certified critical access hospitals to employ physicians until January 1, 2024.

SB 1274 (Wolk), Chapter 793, Statutes of 2012 authorized a hospital that is owned and operated by a charitable organization and offers only pediatric subspecialty care to begin billing health carriers for physician services rendered, notwithstanding the CPOM doctrine.

AB 824 (Chesbro) of 2012 would have established a pilot project to permit certain rural hospitals to directly employ physicians and surgeons. *This bill did not receive a hearing in the Assembly Committee on Health.*

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[6] *Overview of Health Care Districts in California.* California Legislative Analyst's Office, 2012.

AB 648 (Chesbro) of 2009 would have established a demonstration project to permit rural hospitals whose service area includes a medically underserved or federally designated shortage area to directly employ physicians and surgeons. *This bill failed passage in the Senate Committee on Business, Professions and Economic Development.*

AB 646 (Swanson) of 2009 would have permitted health care districts and certain public hospitals, independent community nonprofit hospitals, and clinics to directly employ physicians and surgeons. *This bill failed passage in the Senate Committee on Business, Professions and Economic Development.*

SB 726 (Ashburn) of 2009 would have revised and extended the MBC pilot project that allows qualified district hospitals to employ a physician, if the hospital does not interfere with, control, or otherwise direct the professional judgment of the physician. *This bill failed passage in the Senate Committee on Business, Professions and Economic Development.*

AB 1944 (Swanson) of 2008 would have allowed health care districts to employ a physician. *This bill failed passage in the Senate Committee on Health.*

SB 1294 (Ducheny) of 2008 would have expanded the pilot project enabling health care districts to directly employ physicians. *This bill failed passage in the Assembly Committee on Appropriations.*

SB 376 (Chesbro), Chapter 411, Statutes of 2003 authorized, until January 1, 2011, a hospital owned and operated by a health care district meeting specified criteria to employ a physician, and to charge for professional services rendered by the physician.

ARGUMENTS IN SUPPORT:

The *Association of California Healthcare Districts* (ACHD) is the sponsor of this bill. The ACHD writes: "Currently, district hospitals are the only public hospitals in the State that cannot directly employ physicians. Of the 33 wholly owned and operated districts hospitals, 17 already have access to this tool through their critical access designation. The remaining district hospitals, however, must rely on contracting with physician groups, or individual doctors to provide care. As a result, district hospitals are forced to compete in competitive labor markets without the tools necessary to do so. Specifically, AB 2311 would allow district hospitals to employ physicians directly with clear guardrails preventing any interference with clinical judgement."

ARGUMENTS IN OPPOSITION:

The *California Medical Association* opposes this bill, writing: "California established the CPOM ban to protect patients against corporate or institutional influence over clinical decision-making. These longstanding protections ensure that decisions about a patient's care remain between the patient and their treating physician—not hospital administrators, governing boards, or financial officers whose responsibilities may include balancing budgets or responding to political pressures. AB 2311 would create a new and permanent exemption to these vital protections by allowing health care districts and nonprofit corporations controlled by a health care district to directly employ physicians and charge for professional services. California law has long limited such arrangements to preserve physician independence and prevent institutional interests from influencing medical decisions and clinical judgment."

POLICY ISSUE(S) FOR CONSIDERATION:

Potential Addition of a Sunset Date. Legislation enacted in 2003 previously authorized certain hospitals owned and operated by health care districts to directly employ physicians and surgeons. However, that bill contained a sunset date that was not subsequently extended, resulting in repeal of the law on January 1, 2011. More recent legislation enacted in 2016 authorized federally certified critical access hospitals, including some district hospitals, to directly employ physicians and surgeons. That bill also included a sunset date, which the Legislature subsequently struck to permanently extend the exemption.

Despite proposing to enact similar language to prior legislation, this bill does not currently include a sunset date. Given that the Legislature appears to have acted deliberatively in determining whether exemptions from the CPOM doctrine should be retained, the author may wish to add a sunset date to this bill consistent with prior legislation. The author may further wish to consider including some form of reporting requirement to inform the Legislature when considering whether to extend the exemption.

REGISTERED SUPPORT:

Association of California Healthcare Districts *(Sponsor)*
Alzheimer's Association
Antelope Valley Healthcare District
California Hospital Association
California Special Districts Association
Community Services Agency
Del Puerto Health Care District
Desert Healthcare District and Foundation
District Hospital Leadership Forum
El Camino Health
Fallbrook Healthcare District
Health Petaluma District & Foundation
Imperial Valley Healthcare District
Kaweah Health
Lompoc Healthcare District
Northern Inyo Healthcare District
Palomar Health
Plumas District Hospital
Ravenswood Family Health Network
Salinas Valley Health
Santa Clara Family Health Plan
Sierra View Medical Center
Soledad Community Health Care District
Sonoma Valley Health Care District
Washington Healthcare District
One individual

REGISTERED OPPOSITION:

California Chapter of the American College of Emergency Physicians
California Medical Association

California Orthopedic Association
California Radiological Society
California Society of Pathologists

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2386 (Alvarez) – As Amended April 13, 2026

SUBJECT: License to practice medicine: Licensed Physicians from Mexico Program and California Physician Expansion Act.

SUMMARY: Allows for a physician who successfully participated in the existing three-year Licensed Physicians from Mexico Program to obtain a full and unrestricted license from the Medical Board of California (MBC); requires the MBC to issue a provisional license to an applicant who has been licensed to practice medicine in another country for at least three years and who meet additional requirements, including completion of a residency or postgraduate training program in the other country; authorizes provisional licensees to practice medicine under supervision for a period of three years, which may be extended once for a total of six years if the provisional licensee demonstrates progress toward meeting full licensure requirements.

EXISTING LAW:

1) Establishes the Medical Practice Act, which provides for the licensure and regulation of physicians and surgeons. (Business and Professions Code (BPC) §§ 2000 *et seq.*)

2) Establishes the MBC within the Department of Consumer Affairs (DCA) to administer the Medical Practice Act. (BPC § 2001)

3) Provides that protection of the public shall be the highest priority for the MBC in exercising its licensing, regulatory, and disciplinary functions. (BPC § 2001.1)

4) Requires applicants for a physician's and surgeon's certificate from the MBC to demonstrate that they meet certain requirements, including that the applicant obtained a diploma from an approved medical school and received credit for at least 36 months of approved postgraduate training. (BPC § 2082)

5) Provides that the MBC shall determine a foreign medical school to be a recognized medical school if the foreign medical school meets any one of several requirements. (BPC § 2084)

6) Requires the MBC to develop a process to give priority review status to applicants who can demonstrate that they intend to practice in a medically underserved area or serve a medically underserved population. (BPC § 2092)

7) Establishes the Licensed Physicians from Mexico Program, which requires the MBC to issue a nonrenewable three-year license to physicians from Mexico who meets specified criteria and who will be employed in a federally qualified health center (FQHC). (BPC § 2125)

8) Authorizes the MBC to charge specified fees associated with the licensing of physicians and surgeons under the Licensed Physicians from Mexico Program. (BPC § 2126)

9) Requires continuing medical education courses to include cultural and linguistic competency in the practice of medicine and the understanding of implicit bias. (BPC § 2190.1)

THIS BILL:

10) Provides that a physician from Mexico who has completed the three-year nonrenewable license program under the Licensed Physicians from Mexico Program may apply for a full and unrestricted physician's and surgeon's license if the physician meets all of the following requirements:

    a) Has completed the three-year term of the nonrenewable license program in good standing.

    b) Has obtained Educational Commission for Foreign Medical Graduates certification.

    c) Has passed Steps 1, 2, and 3 of the United States Medical Licensing Examination.

    d) Has received positive evaluations in their peer reviews and from the FQHC's chief medical officer for each year of licensure.

    e) Has an offer of continued employment from a health care facility or practice in California, including, but not limited to, a federally qualified health care center, hospital, or clinic.

    f) Has completed all continuing medical education requirements during the three-year term.

11) Establishes the California Physician Expansion Act.

12) Requires the MBC to issue a provisional license to an applicant who meets all of the following requirements:

    a) Holds a full and unrestricted license to practice medicine in another country and has been in good standing for at least three years.

    b) Has completed a residency or postgraduate training program in the other country, or has otherwise demonstrated education and training consistent with pathways recognized by the MBC, including education and training identified in nationally recognized models for international medical graduate licensure.

    c) Has obtained certification from the Educational Commission for Foreign Medical Graduates (ECFMG).

    d) Has passed Steps 1 and 2 of the United States Medical Licensing Examination.

    e) Has proficiency in the English language as demonstrated by a passing score on the Test of English as a Foreign Language (TOEFL) or the Occupational English Test at levels established by the MBC.

    f) Is authorized to work in the United States.

    g) Has a valid offer of employment from a health care facility or practice in California, including, but not limited to, a hospital, clinic, or facility with a residency program accredited by the Accreditation Council for Graduate Medical Education (ACGME).

13) Provides that a provisional license shall be valid for a period of three years.

14) Authorizes the MBC to grant a one-time extension of a provisional license for an additional period of up to three years upon demonstration of continued progress toward meeting licensure requirements.

15) Limits the total duration of a provisional license to no more than six years.

16) Requires a provisional licensee to be employed by, and practice medicine only within, a sponsoring entity that is approved by the MBC, which may include an FQHC, community clinic, or hospital.

17) Requires the sponsoring entity employing a provisional licensee to do all of the following:

    a) Ensure that the provisional licensee practices under appropriate supervision.

    b) Maintain a peer review process consistent with applicable state and federal law.

    c) Be responsible for the medical services provided by the provisional licensee.

    d) The provisional licensee's authority to practice shall be limited to the sponsoring entity identified in their application and approved by the MBC.

    e) If the provisional licensee ceases to be employed by the sponsoring entity, the provisional license shall no longer be valid unless the MBC approves a transfer to another sponsoring entity.

18) Requires a provisional licensee to practice under the supervision of a physician and surgeon licensed in California and in good standing.

19) Allows for a provisional licensee to apply for a full and unrestricted physician's and surgeon's license if the provisional licensee meets all of the following requirements:

    a) Has passed Step 3 of the United States Medical Licensing Examination.

    b) Has completed at least three years of practice under the provisional license without any disciplinary actions.

    c) Has received a positive recommendation from the supervising physician or director of the facility's medical staff.

20) Requires the MBC to issue a full and unrestricted physician's and surgeon's license to an applicant who meets the requirements of subdivision (a) and who otherwise meets all requirements for licensure under the Medical Practice Act.

21) Authorizes the MBC to set application, initial licensure, renewal, and conversion fees for the provisional license at an amount sufficient to cover the costs of administering the program.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is co-sponsored by *AltaMed* and the *California Primary Care Association*. According to the author:

> AB 2386 will make it easier for qualified physicians to practice in California, with guardrails such as supervision requirements and a probationary period before physicians can apply for a full license. It expands an existing program that allows doctors from Mexico to get a provisional license to practice in California and establishes a program for physicians who have trained abroad to obtain a provisional license. Too many California families can't find a doctor when they need one, especially in rural and underserved communities. The California Physician Expansion Act creates a real pathway for qualified international physicians to help fill that gap, with proper guardrails and oversight, so that the those who need care the most can get it. By integrating international medical talent into California's workforce, AB 2386 offers a sustainable, culturally responsive solution to the state's evolving healthcare workforce needs.

Background.

Medical Board of California. The MBC is primarily responsible for licensing and regulating physicians and surgeons, whose certificates authorize the plenary practice of all recognized fields of medicine. The MBC also has jurisdiction over special program registrants and organizations and special faculty permits, which allow those who are not MBC licensees but who meet certain licensure exemption criteria to perform duties in specified settings. The MBC also has authority over licensed midwives, medical assistants, and registered polysomnographic professionals. The MBC additionally approves accreditation agencies that accredit outpatient surgery settings and issues fictitious name permits to physicians practicing under a name other than their own.

Health Care Provider Access Gaps and Inequities. California has long faced significant gaps and inequities in its health care workforce. There has historically been a persistent shortage of accessible health professionals overall, which disproportionately impacts communities with concentrated populations of immigrant families and people of color. A recent study found that between 2010 and 2019, the number of primary care physicians in proportion to population remained largely unchanged nationally. Meanwhile, counties with a higher proportion of minorities saw a decline during that period.[1]

Compounding these issues of access is a significant lack of diversity among health care practitioners, with several minority groups remaining persistently underrepresented within the healing arts fields. A recent study of data from the American Community Survey and the Integrated Postsecondary Education Data System found that Black, Hispanic, and Native American people are nationally represented across 10 different health care professions.[2] As a result, minorities seeking to enter these professions face significant systemic obstacles, and patients who are representative of minority groups or immigrant communities often do not have access to practitioners who possess the cultural or linguistic competence to provide them with appropriate care.

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[1] Liu M, Wadhera RK. *Primary Care Physician Supply by County-Level Characteristics*, 2010-2019.
[2] Salsberg, Edward *et al*. "Estimation and Comparison of Current and Future Racial/Ethnic Representation in the US Health Care Workforce." *JAMA network open* vol. 4,3 e213789. 1 March 2021.

Research cited by the California Health Care Foundation (CHCF) in its 2021 report "Health Workforce Strategies for California: A Review of the Evidence" found that while 39 percent of Californians identified as Latino/x in 2019, only 14 percent of medical school matriculants and 6 percent of active patient care physicians in California were Latino/x.[3] A 2018 study published by the Latino Policy & Politics Initiative at the University of California, Los Angeles found that while nearly 44 percent of the California population speaks a language other than English at home, many of the most commonly spoken languages are underrepresented by the physician workforce.[4] While the physician community has worked with the MBC to improve linguistic competency among providers, these efforts have yet to resolve systemic challenges with addressing language barriers in California.

Licensed Physicians from Mexico Program. The concept of allowing physicians from Mexico to temporarily practice in California was purportedly first proposed in 1998 by board members at the Clinica de Salud del Valle de Salinas (CSVS), an FQHC in Monterey County. As described in reporting by the CHCF, "the clinic was having a hard time finding enough physicians to work in Salinas, let alone doctors who spoke Spanish and understood the culture." CSVS's chief executive officer worked with a policy consultant to develop and advocate for the proposal, which reportedly received "pushback from some California medical school officials, physicians, and the California Medical Association."[5]

In 2000, the Legislature enacted AB 2394 by Assemblymember Marco A. Firebaugh, sponsored by the California Hispanic Healthcare Association. As amended in the Senate, the bill established the Task Force on Culturally and Linguistically Competent Physicians and Dentists. The bill briefly included language that would have created a Doctors and Dentists from Mexico Exchange Pilot Program; however, this language was subsequently removed from the bill. Instead, a Subcommittee of the Task Force, chaired by the Director of Health Services, was charged with examining "the feasibility of establishing a pilot program that would allow Mexican and Caribbean licensed physicians and dentists to practice in nonprofit community health centers in California's medically underserved areas."

AB 2394 required the Subcommittee to submit its report to the full Task Force no later than March 1, 2001, and then the full Task Force was required to forward that report to the Legislature, along with any comments, by April 1, 2001. The practicality of this timeline was questioned by the Senate Committee on Business and Professions; the committee analysis noted that the Subcommittee was only allotted three months after the effective date of the bill to deliver its report to the Task Force. This due date was considered even more challenging in view of the fact that the sponsor of the bill had indicated a desire that the Subcommittee visit Mexico as part of its study.

In 2001, Assemblymember Firebaugh introduced AB 1045, once again sponsored by the California Hispanic Health Care Association. The original text of the bill proposed to simply require that the Subcommittee's recommendations be incorporated into the Medical Practice Act by statute—despite the fact that those recommendations had not yet been made. As predicted, the Subcommittee's report had not been accomplished by the dates prescribed in the prior legislation.

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[3] https://www.chcf.org/publication/health-workforce-strategies-california
[4] https://latino.ucla.edu/wp-content/uploads/2019/08/The_Patient_Perspective-UCLA-LPPI-Final.pdf
[5] https://www.chcf.org/blog/doctors-mexico-treat-farmworkers-rural-california

When AB 1045 was first considered by the Assembly Committee on Health, the first meeting of the Subcommittee was scheduled to take place days later on May 10, 2001. Additional amendments to the bill proposed to push out the Subcommittee's deadline to report to the Task Force until June 15, 2001, with the final report due on August 15, 2001. AB 1045 subsequently stalled following passage to the Senate, remaining pending in the Senate Committee on Business and Professions with multiple hearings postponed over the course of the following year.

In the meantime, the Subcommittee finally met on July 10, 2001. During this meeting, the Subcommittee discussed comments and proposals it had received from seven organizations, including the California Medical Association, the California Dental Association, the Medical Board of California, the California Hispanic Health Care Association, the California Latino Medical Association, the Latino Coalition for a Healthy California, and the chief executive officer of CSVS (the FQHC in Monterey County). The proposal submitted by the California Hispanic Health Care Foundation comprised of language creating a Licensed Doctors and Dentists from Mexico Pilot Program that was briefly amended into AB 1045 (and removed just two days later). The draft proposal was subsequently revised based on comments from CSVS.

The Subcommittee compared each proposal in an element matrix and then discussed potential models for a pilot program during its meeting. According to the Subcommittee meeting minutes:

> Although many members agreed on a number of the proposed elements, there was significant disagreement upon the time frame for implementing a pilot project, the temporary or permanent nature of licensure, education requirements for licensure, placements of doctors and dentists who participate in a pilot project, and how to determine cultural linguistic competency.

After extensive discussion of the different proposals and the identified areas of disagreement, it was eventually determined that the Subcommittee should disband, with members arguing that "the Subcommittee has come as far as it can with decisions and proposals." A decision was made to simply forward the element matrix and the various proposals to the full Task Force without making any specific recommendation for adoption.

The chairs of the Task Force subsequently submitted the Subcommittee's report to the Legislature on September 7, 2001. The report's cover letter noted that while its transmittal fulfilled the Task Force's commitment to forward the Subcommittee's report, the contents of the report were still being discussed by the full Task Force and the submission did not constitute adoption of the report or any recommendations by the Task Force. As a result, no conclusive recommendations were ever submitted to the Legislature for consideration, but rather a collection of unresolved discussion topics and conflicting proposals.

Amendments were ultimately made to AB 1045 in May 2002 that reflected the revised language proposed to the Subcommittee by the California Hispanic Health Care Association, the bill's sponsor. By the time AB 1045 was heard by the Senate Committee on Business and Professions in August 2002, it had been amended several additional times but was still formally opposed by the California Medical Association, the California Dental Association, and the Federation of State Medical Boards, all of whom raised concerns that the proposed pilot program could result in undertrained, lower quality health care providers being allowed to practice in California. The committee analysis noted that further amendments were needed to clarify the author's intent and resolve outstanding questions about how the program would be implemented.

Despite the opposition to the legislation, AB 1045 ultimately passed the Legislature and was signed into law by Governor Gray Davis on September 30, 2002. The final amended version of the bill repealed the statute establishing the Subcommittee and established the Licensed Physicians and Dentists from Mexico Pilot Program. The bill allowed up to 30 physicians and 30 dentists from Mexico to participate in the program for three-year periods—a compromise from the 150 physicians and 100 dentists that were previously proposed. Participants in the pilot program were required to hold a license in good standing in Mexico, pass a board review course, complete a six-month orientation program, and enroll in adult English-as-a-second-language (ESL) classes. The bill additionally required the MBC and the Dental Board of California to provide oversight, in consultation with other entities, to provide oversight of these entities and submit reports to the Legislature.

While AB 1045 was enacted in 2002, its vision was not effectuated for over two decades. This substantial delay is attributable to several factors. First, the bill required that the pilot program could only be implemented "if the necessary amount of nonstate resources are obtained" and that "General Fund moneys shall not be used for these programs." Sponsors of the bill would have to secure private philanthropic donations to fund the pilot program. Additionally, the bill required the identification of medical schools and hospitals that would accept foreign physicians, which was reportedly a challenging task.[6]

Supporters of the pilot program ultimately succeeded in overcoming the administrative hurdles to implementing AB 1045. Philanthropic dollars were collected and placed into a Special Deposit Fund to support the MBC's implementation of the bill, with $333,000 from that fund appropriated in the Budget Act of 2020. Similar funding has continued to be appropriated in subsequent budget bills, with an estimated $498,000 in philanthropic funds appropriated in Fiscal Year 2023-24 and $299,000 appropriated in Fiscal Year 2024-25.

Physicians from Mexico finally started serving California patients under the pilot program in August 2021, beginning with participating physicians working at San Benito Health Foundation. Additional physicians subsequently began serving patients at CSVS in Monterey County, Altura Centers for Health in Tulare County. From January to November 2023, additional physicians from Mexico began serving patients in the AltaMed Health Corporation in Los Angeles and Orange Counties.

Early in the implementation of the pilot program, some barriers were identified in the process through which licensed physicians from Mexico receive approval to participate in the pilot program. As noncitizens, applicants typically would not have an individual taxpayer identification number (ITIN) or social security number (SSN) from the United States, which is required by all regulatory boards, including the MBC, as a condition of receiving a license. However, applicants typically cannot apply to receive a visa and accompanying SSN without proof that they may legally work in California, which they cannot demonstrate without a license from the MBC. To resolve this issue, AB 1395 (Garcia) was signed into law in 2023 to resolve this issue for physicians from Mexico who had previously been unable to finalize their participation in the pilot program.

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[6] Quintanilla, Esther. "In California, doctors from Mexico help fill the need for some patients. 'As good as any doctor.'" *Valley Public Radio*, September 28, 2023.

Another issue identified was that some physicians from Mexico were unable to practice for significant portions of the three-year period to which their license was limited due to factors outside their control. To address this issue, language was included in SB 815 (Roth), the MBC's sunset bill, to authorize an extension of a license when the physician was unable to work due to a delay in the visa application process beyond the established timeline by the federal Customs and Immigration Services. The MBC was also authorized to extend a license if the physician was unable to treat patients for more than 30 days due to an ongoing condition, including pregnancy, serious illness, credentialing by health plans, or serious injury. These extensions allowed those physicians from Mexico more time to serve patients under the pilot program.

The first annual progress report on the pilot program was submitted to the Legislature by the University of California, Davis in August of 2022. The report found that many patients had substantially positive experiences communicating with their doctor, and frequently felt welcome. While the overall efficacy of the pilot program was still under review, initial reports appeared positive.

UC Davis submitted its second annual progress report on the pilot program to the Legislature in October of 2023. As stated in the report summary, the goal of the evaluation was to provide recommendations on the pilot program and opine on "whether it should be continued, expanded, altered, or terminated." The report summary concluded with a finding that the pilot program "has strong positive feedback from all. Physicians integrated seamlessly, making healthcare more accessible, and increasing patient trust. Staff reported excellent patient care processes and a supportive environment." The report further concluded that physicians in the program "demonstrated a solid understanding of California Medical Standards."

With early assessments of the pilot program producing undeniably positive findings, the original supporters of AB 1045 introduced new legislation to revise and expand the program for physicians from Mexico, making a number of changes from the version that was negotiated back in 2001. AB 2860 (Garcia) was enacted in 2024 to extend the licenses of physicians currently participating in the pilot program by an additional three years and revised the requirements that physicians from Mexico must meet both prior to coming to California and upon arrival. The bill then allowed a newly codified Licensed Physicians from Mexico Program to gradually expand over fifteen years, with increases every four years to eventually reach a maximum of no more than 220 physicians from Mexico in the program, including up to 40 psychiatrists, commencing January 1, 2041.

Under each iteration of the Licensed Physicians from Mexico Program, a license issued by the MBC is nonrenewable and physicians in the program are expected to cease practicing in California, and presumably return to Mexico, upon expiration of their license. The author of this bill believes that a pathway should be established for program participants to obtain a full and unrestricted license from the MBC to continue practicing indefinitely in California. While the bill would require applicants for a full license to have an offer of continued employment from a health care facility or practice in California, the bill would no longer require the applicants to practice exclusively in an FQHC. Applicants would be required to satisfy several additional requirements, including by obtaining an Educational Commission for Foreign Medical Graduates certification, passing the United States Medical Licensing Examination, and receiving positive evaluations in their peer reviews under the Licensed Physicians from Mexico Program. The author believes that once fully licensed, these physicians will continue to contribute toward addressing the state's provider shortage.

California Physician Expansion Act. In addition to allowing participants in the Licensed Physicians from Mexico Program to obtain a full and unrestricted license from the MBC, this bill would create a new pathway for foreign-trained physicians to practice in California. The bill would apply to physicians who have been licensed to practice medicine in another country for at least three years and who completed a residency or postgraduate training program in that country. After completing several additional certification and examination requirements, these physicians would be eligible to receive a provisional license from the MBC.

Provisional licenses issued under the bill would be valid for three years and could be extended one time by the MBC for a total duration of no more than six years. Provisional licensees would be required to have a valid offer of employment from a health care facility or practice in California that would serve as the provisional licensee's sponsoring entity. Provisional licensees would then be authorized to practice medicine within that sponsoring entity under the supervision of a California-licensed physician and surgeon.

After completing at least three years of practice under a provisional license without any disciplinary actions, a foreign-trained physician would be eligible to apply for a full and unrestricted license from the MBC. Those applicants would be required to have received a positive recommendation from the supervising physician or director of the facility's medical staff and to have completed specified additional examination requirements. The MBC would then be required to issue a full and unrestricted physician's and surgeon's license to an applicant who meets those requirements and who otherwise meets all requirements for licensure under the Medical Practice Act.

Current Related Legislation. AB 2398 (Alvarez) would establish the Physician Graduate License Act, which would allow an individual who has graduated from an accredited medical school but who has not completed a residency program to receive a physician graduate license to practice under a supervising practice agreement with a sponsoring physician. *This bill is pending in this committee.*

AB 1307 (Ávila Farías) would reestablish the Licensed Dentists from Mexico Pilot Program and revise various requirements contained within the existing pilot program relating to the temporary state licensure of dental professionals from Mexico. *This bill is pending in the Senate Committee on Business, Professions, and Economic Development.*

Prior Related Legislation. AB 2860 (Garcia), Chapter 246, Statutes of 2024 reestablished the Licensed Physicians and Dentists from Mexico Pilot Program as the distinct Licensed Physicians from Mexico Program and Licensed Dentists from Mexico Pilot Program and revised various requirements contained within the existing pilot program relating to the temporary state licensure of medical professionals from Mexico.

AB 2864 (Garcia), Chapter 247, Statutes of 2024 required the MBC to extend the licenses of physicians participating in the Licensed Physicians and Dentists from Mexico Pilot Program by an additional three years.

AB 1395 (Garcia) Chapter 205, Statutes of 2023 required the MBC to issue a license to applicants for participation in the Licensed Physicians and Dentists from Mexico Pilot Program who did not possess federal documentation but otherwise meet the pilot program's requirements, and authorizes the MBC to extend a pilot program participant's license under certain conditions.

AB 1396 (Garcia) of 2023 was substantially similar to AB 1395. *This bill died in the Assembly Committee on Appropriations.*

AB 1045 (Firebaugh) Chapter 1157, Statutes of 2002 established the Licensed Physicians and Dentists from Mexico Pilot Program.

AB 2394 (Firebaugh), Chapter 802, Statutes of 2000 created the Task Force on Culturally and Linguistically Competent Physicians and Dentists and required its subcommittee to examine the feasibility of establishing a pilot program that would allow Mexican and Caribbean licensed physicians and dentists to practice in nonprofit community health centers in California's medically underserved areas.

ARGUMENTS IN SUPPORT:

AltaMed Health Services, a co-sponsor of this bill, writes: "Alongside AltaMed's Family Medicine Physician Residency Program and other workforce pipeline efforts, the Licensed Physicians from Mexico Program is part of a broader strategy to grow, retain, and diversify the provider workforce serving safety-net patients." AltaMed argues that this bill "represents a significant step in continuing and building on that commitment. Specifically, the bill would create a pathway to full licensure, thereby allowing these qualified and talented physicians to continue providing care in underserved communities. Additionally, the bill expands the Licensed Physicians from Mexico Program by authorizing other internationally trained physicians who hold a full and unrestricted license to practice medicine in another country, and meet defined eligibility standards, to apply for a provisional license under the supervision of a California licensed physician. Together, these two provisions would greatly expand access to culturally and linguistically competent care, all while maintaining high-quality standards and patient safety."

CPCA Advocates, the advocacy affiliate of the California Primary Care Association, is also a co-sponsor of this bill. CPCA Advocates writes: "The bill expands this proven model by creating an automatic pathway to full licensure out of the Licensed Physicians from Mexico Programs to allow these qualified and talented physicians to continue providing care in underserved communities. Additionally, the bill establishes the Provisional License for Qualified International Physicians Act. Internationally trained physicians who hold a full and unrestricted license to practice medicine in another country, and meet defined eligibility standards, would be eligible to apply for this newly created license. AB 2386 will expand access to culturally and linguistically competent care, all while maintaining high-quality standards and patient safety."

ARGUMENTS IN OPPOSITION:

The *California Academy of Family Physicians* opposes this bill, writing: "Although the bill includes requirements such as ECFMG certification and partial USMLE passage, it permits extended independent practice under a provisional license without completion of an ACGME-accredited residency program. Residency training in the United States is the established mechanism for ensuring physicians are trained in standardized clinical competencies, patient safety protocols, and the U.S. health care delivery system. Substituting prolonged supervised practice for residency risks creating variability in training quality and preparedness for independent practice. The proposal also effectively establishes a parallel pathway to full licensure outside the traditional residency system. This raises concerns about maintaining uniform standards for physician training and could contribute to a fragmented licensure structure over time."

A coalition of academic medical centers and teaching hospitals in California writes in opposition to this bill: "AB 2386 creates a licensure pathway that does not adequately ensure clinical readiness for independent practice. Time holding a license is not equivalent to time spent delivering supervised patient care, and the proposal does not sufficiently align with established physician training standards in the United States. Graduate medical education, particularly residency training, remains the foundation for developing the clinical judgment and competency required to safely treat patients. In addition, the bill lacks clear and consistent safeguards that hospitals rely on to ensure quality, including ECFMG certification, completion of all USMLE steps, and the ability to obtain medical staff privileges. Without these elements, implementation would create significant challenges for credentialing and could introduce variability in care standards across the state."

POLICY ISSUE(S) FOR CONSIDERATION:

Exclusion of Prior Mexico Pilot Program Participants. This bill would authorize a physician from Mexico who has completed the three-year nonrenewable license program under current provisions of the Medical Practice Act to apply for a full and unrestricted physician's and surgeon's license. However, AB 2860 (Garcia) of 2024 reestablished and recodified this program. The language in this bill could reasonably be interpreted to exclude physicians from Mexico who participated in previously codified program from the pathway for a full license from the MBC, which is presumably not the author's intent. This bill should be amended to provide for further clarification regarding eligibility for program participants to apply for full licensure.

Lack of Specificity for Sponsoring Entities. The current language of this bill would require a provisional licensee to be employed by, and practice medicine only within, a sponsoring entity that is approved by the MBC. The bill states that the sponsoring entity *may* include a federally qualified health center, community clinic, or hospital, but does not limit the types of facilities or practice settings that could qualify. The stated intent of the author is to increase the primary care provider workforce and increase access to care for underserved communities; however, under the broad language in this bill, provisional licensees could ultimately work in settings such as medical spas or in a capacity in which they do not provide direct patient care. The author should consider providing a definition of "sponsoring entity" that more narrowly targets the type of facilities that are envisioned by the author as utilizing the services of provisional licensees.

Licensure Period for Foreign Licensees. This bill would require applicants for a provisional license to have held a full and unrestricted license to practice medicine in another country and has been in good standing for at least three years. However, current provisions of the Medical Practice Act establishing a pathway to licensure for applicants who hold a license in another state require that the license be held continuously for a minimum of four years. The author should consider amending this bill to align these requirements by establishing a minimum four year term for provisional license applicants to have been licensed in another country.

Need for Additional Applicant Vetting Authority. This bill would require the MBC to issue a provisional license to applicants who meet specified requirements, including a requirement that the applicant's license in another country has been in good standing. However, the bill does not expressly authorize the MBC to consider causes for denial that are applicable to other applicants for licensure, not does it authorize the MBC to require a criminal background check. This bill should be amended to incorporate this language to clarify that the MBC may engage in these additional applicant screening processes.

Postgraduate Training Requirements. As recently amended, this bill would require an applicant for a provisional license to have completed a residency or postgraduate training program in another country, or to have "otherwise demonstrated education and training consistent with pathways recognized by the board, including education and training identified in nationally recognized models for international medical graduate licensure." The latter language is intended to encompass guidance issued by the Federation of State Medical Boards regarding how medical boards should consider programs not accredited by the ACGME. However, as written, it could be broadly interpreted beyond the level of scrutiny envisioned by the author. Prior language in the bill required the MBC to make a determination regarding whether a residency program is substantially equivalent to one accredited by the ACGME; while this would be a clearer solution, it would impose new mandates on the MBC that may prove problematic. While restoring that language for now is likely most readily identifiable solution, the author should consider discussing this provision with stakeholders to determine the most appropriate path forward.

Clarification of Supervision Requirements. This bill would require a provisional licensee to practice under the supervision of a physician and surgeon licensed in this state and in good standing. Amendments to the bill would be helpful to more clearly delineate the responsibility of the supervising physician and to ensure that the scope of the medical services provided by the provisional licensee are agreed to by the supervising physician who would ultimately be responsible for ensuring those services are effectively rendered. The author should consider placing additional requirements and limitations on supervising physicians under the bill.

Continuing Medical Education. The Medical Practice Act requires all physicians and surgeons to complete specified continuing medical education. This bill would not require provisional licensees to complete similar education. The author may wish to clarify the applicability of those requirements.

Eligibility for Full Licensure. This bill would allow for a provisional licensee to apply for a full and unrestricted license from the MBC after meeting specified requirements. The MBC would then be required to issue a license to an applicant who meets those requirements "and who otherwise meets all the requirements for licensure" under the Medical Practice Act. It is unclear what those further requirements would include or exclude. This section of the bill should be clarified to provide that successful practice as a provisional licensee satisfies the education and training requirements for licensure under the Medical Practice Act while preserving all other requirements for a license.

IMPLEMENTATION ISSUES:

Fee Amounts. This bill would authorize the MBC to "set application, initial licensure, renewal, and conversion fees for the provisional license at an amount sufficient to cover the costs of administering" the provisions of the bill. This broad authority should be narrowed to a specified range of fees that may be charged once the MBC has identified its projected costs.

Immigration Law Considerations. Both segments of this bill would clearly implicate issues regarding the ability of physicians licensed in other countries to relocate to California to practice medicine. This area of law is complex and currently subject to inconsistent and at times hostile policies at the federal level toward immigrant professionals. As this bill continues to move through the process, the author should remain mindful of these potential challenges and seek further guidance about how to resolve any identified issues.

AMENDMENTS:

1) To ensure that physicians who participated under the Licensed Physicians and Dentists from Mexico Pilot Program prior to its recodification are captured by the bill, amend subdivision (a) in Section 2 of the bill as follows:

   (a) A physician from Mexico who has completed the three-year nonrenewable license program under this article, or under the Licensed Physicians and Dentists from Mexico Pilot Program formerly established in Section 853, may apply for a full and unrestricted physician's and surgeon's license if the physician meets all of the following requirements: …

2) To establish parameters for which settings and practices may sponsor a provisional licensee, amend Section 3 of the bill to add the following definition to the proposed Section 2128.1 and subsequently reference that definition throughout the bill:

   (e) "Sponsoring entity" means an entity approved by the board that is one of the following:

   (1) A federally qualified health center.

   (2) A primary care clinic licensed under Section 1204 of the Health and Safety Code.

   (3) A primary care clinic exempt from licensure pursuant to Section 1206 of the Health and Safety Code.

   (4) A clinic owned or operated by a public hospital or health system.

   (5) A clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code.

   (6) Any licensed health facility located within a HPSA or MUA.

3) To strengthen the MBC's authority to thoroughly review applications for a provisional license and to align the period of time for which the applicant must have held a license from another jurisdiction with the period specified for licensees of other states, amend the proposed Section 2128.2 to read as follows:

   The board shall issue a provisional license to an applicant who meets all of the following requirements:

   (a) The applicant holds a full and unrestricted license to practice medicine in another country and has been in good standing for at least ~~three~~ four years. Any time spent by the applicant in a residency or postgraduate training program shall not be included in the calculation of this four-year period.

   (b) The board determines that no disciplinary action has been taken against the applicant by any medical licensing authority and that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine that the board determines constitutes evidence of a pattern of negligence or incompetence.

(c)(1) The applicant has not committed any acts or crimes constituting grounds for denial of a certificate under Division 1.5 (commencing with Section 475) or Article 12 (commencing with Section 2220).

(2) The board shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice of all applicants for a provisional license to determine whether the applicant has a criminal conviction record in this state or in any other jurisdiction, including foreign countries, pursuant to Section 2042. The Department of Justice shall provide a state- and federal-level response in accordance with subdivision (p) of Section 11105 of the Penal Code for the board to determine whether the applicant is subject to denial of licensure under the provisions of Division 1.5 (commencing with Section 475) and Section 2221.

(d) The applicant shows evidence satisfactory to the board that the licensee has received credit for at least 36 months of residency or postgraduate training in the other country that is substantially equivalent to an ACGME-accredited residency program as determined by the board.

4) To add greater specificity to the physician supervision requirements for provisional licensees, add the following language to subdivision (c) in the proposed Section 2128.3:

(1) The provisional licensee shall practice under the supervision of a physician and surgeon licensed in this state and in good standing.

(2) The supervising physician and surgeon shall oversee the activities of, and accept responsibility for, the medical services rendered by the provisional licensee.

(3) The supervising physician and surgeon and the provisional licensee shall enter into a written agreement that defines the medical services the provisional licensee is authorized to perform.

(4) A supervising physician shall not supervise more than four provisional licensees at any one time.

5) Require provisional licensees to comply with continuing medical education requirements generally applicable to licensed physicians and surgeons.

6) Clarify the MBC's authority to revoke or discipline a provisional licensee.

7) To provide greater clarify regarding the ability of a provisional licensee to apply for and obtain a full and restricted license, amend the proposed Section 2128.4 as follows:

~~*(a)*~~ A provisional licensee *shall be deemed to meet the professional instruction, preliminary education, and postgraduate training requirements for a certificate under this chapter* ~~*may apply for a full and unrestricted physician's and surgeon's license*~~ if the provisional licensee meets all of the following requirements:

(1) Has passed Step 3 of the United States Medical Licensing Examination.

(2) Has completed at least ~~*three years*~~ *36 months* of practice under the provisional license without any disciplinary actions.

(3) Has received a positive recommendation from the supervising physician or director of the ~~facility's~~ sponsoring entity's medical staff.

~~*(b) The board shall issue a full and unrestricted physician's and surgeon's license to an applicant who meets the requirements of subdivision (a) and who otherwise meets all requirements for licensure under this chapter.*~~

REGISTERED SUPPORT:

AltaMed Health Services *(Sponsor)*
California Primary Care Association *(Sponsor)*
Alameda Health Consortium - San Leandro, CA
Alexander Valley Healthcare
All Inclusive Community Health Center
Altura Centers for Health
Ampla Health
Arroyo Vista Family Health Center
Camino Health Center
Center for Family Health & Education
Chinatown Service Center
Clínica Monseñor Oscar A. Romero
Community Clinic Association of Los Angeles County
Community Health Association of Inland Southern Region
Community Health Partnership
Comprehensive Community Health Centers
Eisner Health
El Proyecto Del Barrio
Garfield Health Center
Golden Valley Health Centers
Health Alliance of Northern California
Health Center Partners of Southern California
Hill Country Community Clinic
Innercare
JWCH Institute
LA Clinica De LA Raza
LatinX Physicians of California
Latino Coalition for a Healthy California
MCHC Health Centers
More Doctors for California
National Hispanic Health Foundation
Neighborhood Healthcare
North Coast Clinics Network
Northeast Valley Health Corporation
Open Door Community Health Centers
Opsam Health
Ravenswood Family Health Network
Ritter Center
Saban Community Clinic
Sacramento Native American Health Center

Samuel Dixon Family Health Center
San Benito Health Foundation
San Francisco Community Clinic Consortium
Senator Juan Carlos Loera De la Rosa, Senate of the Republic of Mexico
Share Ourselves
Shasta Community Health Center
South Central Family Health Center
The Coalition of Orange County Community Health Centers
TrueCare
Universidad Autonoma De Guadalajara
Venice Family Clinic
Via Care Community Health Center
Westside Family Health Center

REGISTERED OPPOSITION:

California Academy of Family Physicians
Cedars-Sinai
Clinicas del Valle de Salinas
Loma Linda University Health
Scripps Health
Stanford Health Care
University of Southern California

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2398 (Alvarez) – As Amended April 13, 2026

SUBJECT: Practice of medicine: Physician Graduate License Act.

SUMMARY: Authorizes medical school graduates who have not completed a residency program to practice medicine indefinitely under supervision.

EXISTING LAW:

1) Establishes the Medical Practice Act, which provides for the licensure and regulation of physicians and surgeons. (Business and Professions Code (BPC) §§ 2000 *et seq.*)

2) Establishes the MBC within the Department of Consumer Affairs (DCA) to administer the Medical Practice Act. (BPC § 2001)

3) Provides that protection of the public shall be the highest priority for the MBC in exercising its licensing, regulatory, and disciplinary functions. (BPC § 2001.1)

4) Requires medical school graduates to obtain a postgraduate training license (PTL) within 180 days after beginning an approved postgraduate training program. (BPC § 2064.5)

5) Authorizes the MBC to deny a PTL to an applicant guilty of unprofessional conduct or of any cause that would subject a licensee to revocation or suspension of their license, or to issue a probationary PTL subject to terms and conditions. (BPC § 2064.7)

6) Authorizes the MBC to issue a PTL to an applicant who has committed minor violations that the MBC deems, in its discretion, do not merit the denial or require probationary status, and authorizes the MBC to concurrently issue a public letter of reprimand. (BPC § 2064.8)

7) Prohibits a postgraduate training licensee, intern, resident, postdoctoral fellow, or instructor from engaging in the practice of medicine unless they hold a valid physician's and surgeon's certificate issued by the MBC, but allows a graduate of an approved medical school to engage in the practice of medicine whenever and wherever required as a part of a postgraduate training program under specified conditions. (BPC § 2065)

8) Establishes the University of California at Los Angeles David Geffen School of Medicine's International Medical Graduate Program, which authorizes international medical graduates (IMGs) to receive hands-on clinical instruction through a preresidency training program. (BPC § 2066.5)

9) Requires applicants for a physician's and surgeon's certificate from the MBC to demonstrate that they meet certain requirements, including that the applicant obtained a diploma from an approved medical school and received credit for at least 36 months of approved postgraduate training. (BPC § 2082)

10) Provides that the MBC shall determine a foreign medical school to be a recognized medical school if the foreign medical school meets any one of several requirements. (BPC § 2084)

11) Requires an applicant for an initial physician's and surgeon's license to demonstrate that the applicant has received credit for at least 12 months of approved postgraduate training for graduates of medical schools in the United States and Canada or 24 months of approved postgraduate training for graduates of approved foreign medical schools, pursuant to the attestation of the program director, designated institutional official, or delegated authority for the approved postgraduate training program where the applicant participated. (BPC § 2096)

12) Requires a licensed physician and surgeon seeking to renew their license for the first time to demonstrate that the licensee has received credit for at least 36 months of approved postgraduate training, pursuant to the attestation of the program director, designated institutional official, or delegated authority for the approved postgraduate training program where the applicant participated. (BPC § 2097)

13) Allows for a physician's and surgeon's license to be renewed for the first time if the MBC receives satisfactory evidence that the licensee is enrolled in a California board-approved postgraduate training program at the time the license expires. (BPC § 2097.5)

14) Provides that physicians who are not citizens but who meet certain requirements and who seek postgraduate study in an approved medical school or academic medical center may, after receipt of an appointment from the dean of the California medical school, or dean or chief medical officer of an academic medical center, and application to and approval by the MBC, be permitted to participate in the professional activities of the department or division in the medical school or academic medical center to which they are appointed under supervision as a "visiting fellow." (BPC § 2111)

15) Allows physicians who are not citizens and who seek postgraduate study to participate in a fellowship program in a specialty or subspecialty field, providing the fellowship program is given in a hospital in California which is approved by the Joint Commission and providing the service is satisfactory to the MBC; requires such physicians to at all times be under the direction and supervision of a licensed, board-certified physician and surgeon who is recognized as a clearly outstanding specialist in the field in which the foreign fellow is to be trained. (BPC § 2112)

16) Establishes the Licensed Physicians from Mexico Program, which requires the MBC to issue a nonrenewable three-year license to physicians from Mexico who meets specified criteria and who will be employed in a federally qualified health center (FQHC). (BPC § 2125)

17) Requires licensed physicians and surgeons to report to the MBC, immediately upon issuance of an initial license and at the time of each license renewal, their practice status and any specialty board certification they hold, along with information relating to their cultural background and foreign language proficiency unless the licensee declines to provide that information. (BPC § 2425.3)

18) Authorizes the MBC to issue a special faculty permit allowing the holder to practice medicine as part of a medical school's or academic medical center's educational program. (BPC § 2168)

19) Establishes the Department of Health Care Access and Information (HCAI) with responsibilities related to health planning and research development. (Health and Safety Code §§ 127000 *et seq.*)

THIS BILL:

1) Defines "physician graduate" as an individual who has graduated from an accredited medical school but has not completed a residency program.

2) Defines "sponsoring physician" as a physician who holds a full and unrestricted license to practice medicine in California and who enters into a supervising practice agreement with a physician graduate.

3) Defines "supervising practice agreement" as a written agreement between a sponsoring physician and a physician graduate that outlines the terms of supervision and the scope of practice.

4) Requires the MBC to issue a physician graduate license to an applicant who meets all of the following requirements:

   a) Has graduated within the preceding four years from a medical school that is either accredited by the Liaison Committee on Medical Education (LCME) or the Commission on Osteopathic College Accreditation or located outside the United States and recognized by the MBC as providing an equivalent medical education.

   b) Has passed Steps 1 and 2 of the United States Medical Licensing Examination, Levels 1 and 2 of the Comprehensive Osteopathic Medical Licensing Examination of the United States, or an equivalent examination as determined by the MBC.

   c) Has not completed a residency program accredited by the Accreditation Council for Graduate Medical Education (ACGME) or the American Osteopathic Association.

   d) Has not previously held a physician graduate license that was revoked or suspended.

   e) Has proficiency in the English language.

   f) Has a valid offer of employment under a supervising practice agreement with a sponsoring physician whose practice is located in California.

   g) If the applicant is a graduate of a medical school located outside of the United States, the applicant shall possess a valid certificate from the Educational Commission for Foreign Medical Graduates or demonstrate equivalent qualifications as determined by the MBC.

5) Requires the MBC to establish, by regulation, clear and transparent criteria for the recognition of international medical schools, which shall include, but not be limited to, accreditation standards, curriculum requirements, clinical training components, and verification through recognized international accrediting bodies.

6) Requires a physician graduate to at all times practice under a supervising practice agreement with a sponsoring physician.

7) Requires a sponsoring physician to hold a full and unrestricted license from the MBC, be board-certified in the specialty in which the physician graduate will practice, maintain an active practice in California, and not be the subject of any pending disciplinary action.

8) Requires a supervising practice agreement to be submitted to and approved by the MBC and to include all of the following:

    a) The specific scope of practice authorized for the physician graduate.

    b) The supervision plan, including the frequency of direct supervision, chart review protocols, and availability of the sponsoring physician for consultation.

    c) The name, license number, and specialty of the sponsoring physician.

    d) The locations where the physician graduate will practice.

9) Requires the MBC to establish by regulation the standards for supervision, including all of the following:

    a) Direct supervision requirements during the initial six months of practice.

    b) The maximum number of physician graduates a sponsoring physician may supervise.

    c) Protocols for emergency situations and after-hours care.

    d) Minimum ratios for supervising physicians to physician graduates.

    e) Requirements for on-site supervision.

    f) Documentation and reporting requirements to ensure compliance with supervision standards.

10) Requires the MBC to define, by regulation, permissible and prohibited clinical activities for physician graduates, including any limitations based on training, experience, and practice setting.

11) Provides that a physician graduate license shall be valid for three years and may be renewed for additional three-year periods if all of the following requirements are met:

    a) The licensee continues to practice under an approved supervising practice agreement.

    b) The licensee completes at least 50 hours of continuing medical education per renewal.

    c) The sponsoring physician submits a satisfactory evaluation of the physician graduate's performance.

    d) The licensee has received positive evaluations from all sponsoring physicians.

    e) The licensee has no history of disciplinary action.

12) Requires physician graduates to disclose to each patient, in writing and verbally if requested, that they are a physician graduate practicing under supervision before providing treatment.

13) Authorizes the MBC to set fees for the physician graduate license at an amount sufficient to cover the costs of administering the program.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is co-sponsored by the *International Medical Graduate Academy* and *Project IMG.* According to the author:

> The Physician Graduate License Act will create a complementary pathway for physician graduates of accredited medical schools both in the United States and internationally, to pursue their medical training in California. California continues to experience a physician shortage driven by limited residency positions, uneven geographic distribution of clinicians, and underutilization of qualified medical graduates. By creating a complementary pathway for medical students to pursue their medical training, AB 2398 will assist in addressing the residency shortage and increase the number of physicians in California. This measure will maintain rigorous standards for patient safety while expanding access to care in communities throughout the State of California.

Background.

Medical Board of California. The MBC is primarily responsible for licensing and regulating physicians and surgeons, whose certificates authorize the plenary practice of all recognized fields of medicine. The MBC also has jurisdiction over special program registrants and organizations and special faculty permits, which allow those who are not MBC licensees but who meet certain licensure exemption criteria to perform duties in specified settings. The MBC also has authority over licensed midwives, medical assistants, and registered polysomnographic professionals. The MBC additionally approves accreditation agencies that accredit outpatient surgery settings and issues fictitious name permits to physicians practicing under a name other than their own.

Postgraduate Training Requirements. The Medical Practice Act outlines the requirements for an applicant to obtain a license as a physician and surgeon. Applicants must demonstrate that they graduated from an approved medical school, successfully passed a written examination, and have not committed acts subject to denial of a license. Additionally, all applicants for licensure must complete postgraduate training in an approved residency program.

Prior to 2020, the Medical Practice Act treated graduates of international medical schools and those located in the United States differently in terms of the clinical training required for a license from the MBC. Applicants for licensure who graduated from an LCME-approved domestic medical school were required to complete one year of ACGME-accredited postgraduate training. Meanwhile, applicants for licensure who graduated from an approved international medical school were required to complete two years of ACGME-accredited postgraduate training.

During the MBC's sunset review in 2017, the Committees discussed a proposal to reconcile the postgraduate training requirements for domestic and international medical school graduates. The MBC proposed requiring all applicants, regardless of school of graduation, to satisfactorily complete a minimum of three years of ACGME-accredited postgraduate training prior to the issuance of a full unrestricted license to practice. The MBC further proposed issuing training permits and identifying the scopes of practice for each training year, in conjunction with the postgraduate training programs. Three years of training was the industry-recognized standard for board certification in various medical specialties.

Following discussion of the proposal in the MBC's sunset oversight hearing, the Committees amended the MBC's sunset bill to require all medical graduates who matched into an accredited postgraduate training program in California to obtain a PTL in order to practice medicine as part of their training program. If the medical school graduate failed to obtain the PTL within 180 days after enrollment in an MBC-approved training program, or if the MBC denied the PTL application, all privileges and exemptions would automatically cease. The PTL was valid for up to 39 months and could not be renewed; however, the MBC had limited authority to grant an extension under certain conditions. Beginning January 1, 2020, all physician license applicants, regardless of whether they graduated school in the United States or a foreign country, were required to satisfactorily complete a minimum of 36 months of accredited postgraduate training.

The initial PTL posed challenges for the MBC and physicians alike. The MBC experienced unexpectedly high numbers of PTL applications and the COVID-19 pandemic led to increased issues with the effective issuance with these licenses. Additionally, while the PTL was also expressly intended to be an unrestricted license, concerns were raised that the PTL may not be deemed equivalent to an unrestricted medical license for various purposes. For example, some residents reported challenges with enrolling as a Medi-Cal fee-for-service or managed care provider in order to work outside of a residency program, a practice known as moonlighting. Residents also reported being unable to obtain various federal waivers and raised concerns that they may in some cases be unable to sign birth and death certificates or disability forms.

In response to those issues, further legislation was enacted to clarify that an applicant can obtain a physician's and surgeon's certificate after receiving credit for 12 months of postgraduate training. Applicants must then receive credit for a total of 36 months of postgraduate training in order for the certificate to be renewed at the time of initial renewal. Subsequent sunset legislation for the MBC further clarified requirements for postgraduate training and provided the MBC with greater discretion to issue or renew a license for applicants under certain conditions.

Health Care Provider Access Gaps and Inequities. California has long faced significant gaps and inequities in its health care workforce. There has historically been a persistent shortage of accessible health professionals overall, which disproportionately impacts communities with concentrated populations of immigrant families and people of color. A recent study found that between 2010 and 2019, the number of primary care physicians in proportion to population remained largely unchanged nationally. Meanwhile, counties with a higher proportion of minorities saw a decline during that period.[1]

Compounding these issues of access is a significant lack of diversity among health care practitioners, with several minority groups remaining persistently underrepresented within the healing arts fields. A recent study of data from the American Community Survey and the Integrated Postsecondary Education Data System found that Black, Hispanic, and Native American people are nationally represented across 10 different health care professions.[2] As a result, minorities seeking to enter these professions face significant systemic obstacles, and patients who are representative of minority groups or immigrant communities often do not have access to practitioners who possess the cultural or linguistic competence to provide them with appropriate care.

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[1] Liu M, Wadhera RK. *Primary Care Physician Supply by County-Level Characteristics*, 2010-2019.
[2] Salsberg, Edward *et al*. "Estimation and Comparison of Current and Future Racial/Ethnic Representation in the US Health Care Workforce." *JAMA network open* vol. 4,3 e213789. 1 March 2021.

Research cited by the California Health Care Foundation (CHCF) in its 2021 report "Health Workforce Strategies for California: A Review of the Evidence" found that while 39 percent of Californians identified as Latino/x in 2019, only 14 percent of medical school matriculants and 6 percent of active patient care physicians in California were Latino/x.[3] A 2018 study published by the Latino Policy & Politics Initiative at the University of California, Los Angeles found that while nearly 44 percent of the California population speaks a language other than English at home, many of the most commonly spoken languages are underrepresented by the physician workforce.[4] While the physician community has worked with the MBC to improve linguistic competency among providers, these efforts have yet to resolve systemic challenges with addressing language barriers in California.

The California Health Workforce Research and Data Center, previously established in 2007 as the Healthcare Workforce Clearinghouse under the prior Office of Statewide Health Planning and Development, serves as California's central source for collection, analysis, and reporting of information on the healthcare workforce employment and educational data trends for the state. As part of its statutory duties, HCAI is mandated to prepare an annual report to the Legislature that accomplishes the following three goals: (1) identifying education and employment trends in the health care professions (2) reporting on the current supply and demand for health care workers in California and gaps in the educational pipeline producing workers in specific occupations and geographic areas; and (3) recommending state policy needed to address issues of workforce shortage and distribution.

In February 2024, the Assembly Committee on Health held an informational hearing focused on Diversity in California's Health Care Workforce. This hearing included perspectives from various stakeholders and public health researchers, along with policymakers who provided updates on the state's efforts to increase diversity. The background paper for the hearing[5] cited research published in December 2022 by the Fitzhugh Mullan Institute for Health Workforce Equity at George Washington University in a report titled "The Race and Ethnicity of the California Health Care Workforce," which demonstrated that "a health workforce that reflects the racial and ethnic diversity of the population can improve access to, quality of, and outcomes of care."[6] As explained in the Health Committee's background paper, underrepresentation in the health care workforce both "contributes to health disparities" and "limits access to high-paying, meaningful professions for underrepresented minorities."

Insufficient Availability of Residency Programs. A lack of access to postgraduate training programs has played a significant role in exacerbating the shortage of health care providers in California. Although California trains a large number of medical students, the number of available residency positions has not kept pace, in part due to longstanding caps on federally funded residency slots through Medicare. The Balanced Budget Act of 1997 established a cap on the number of residency positions eligible for Medicare support. Because Medicare remains the largest single source of residency program funding, this cap restricts the ability of hospitals to expand training programs, thereby reducing the number of physicians who can complete the required postgraduate training needed for licensure.

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[3] https://www.chcf.org/publication/health-workforce-strategies-california
[4] https://latino.ucla.edu/wp-content/uploads/2019/08/The_Patient_Perspective-UCLA-LPPI-Final.pdf
[5] https://ahea.assembly.ca.gov/media/1665
[6] Bogucki C, Brantley E, Salsberg E. "The Race and Ethnicity of the California Health Workforce." Fitzhugh Mullan Institute for Health Workforce Equity. Washington, DC: George Washington University, 2022.

The paucity of residency slots is particularly consequential in California because postgraduate training strongly influences where physicians will ultimately practice. Research cited by CHCF shows that a majority of physicians are likely to remain in the same community where they complete their residency training.[7] When residency slots are limited or unevenly distributed, especially in underserved or rural areas, fewer physicians are trained in those regions, perpetuating geographic disparities in access to care. Correspondingly, studies have indicated that increasing subsidized residency positions in high-need areas may lead to measurable gains in the availability of primary care physicians.[8]

Physician Graduate Licensing. This bill seeks to create a framework through which medical school graduates who have not matched with a residency program may practice medicine without completing postgraduate training requirements. The bill would require the MBC to issue a physician graduate license to an individual who recently graduated from a medical school but who has not completed an accredited residency program and who meets specified requirements. A physician graduate licensee would then be authorized to practice medicine under a supervising practice agreement with a sponsoring physician. While recent amendments to the bill no longer include a pathway to obtain a full and unrestricted license following practice as a physician graduate, the bill would allow a physician graduate license to be extended indefinitely in three-year intervals as long as certain conditions are met.

Current Related Legislation. AB 2386 (Alvarez) would allow for a physician who successfully participated in the existing three-year Licensed Physicians from Mexico Program to obtain a full and unrestricted license from the MBC and require the MBC to issue a provisional license to an applicant who has been licensed to practice medicine in another country for at least three years and who meet additional requirements, including completion of a residency or postgraduate training program in the other country.

Prior Related Legislation. SB 806 (Roth, Chapter 649, Statutes of 2021) extended the sunset date for the MBC until January 1, 2023 and made numerous reforms to the Medical Practice Act, including changes to PTL requirements.

SB 798 (Hill, Chapter 775, Statutes of 2017) extended the sunset date for the MBC and enacted various other changes and reforms in response to sunset review, including changes to postgraduate training requirements for license applicants.

ARGUMENTS IN SUPPORT:

The *International Medical Graduates Academy* (TIMGA) is a co-sponsor of this bill. TIMGA writes: “Historically, California has relied heavily on in-migration of physicians trained in other states and nations due to the fact that the state has a lower ratio of medical residents per capita than the rest of the country. This persistent gap means that many qualified physician graduates are unable to access graduate medical education, earn licensure and provide care to patients in need, and this compounds yearly. Thus, AB 2398 will ensure that California will be able to cultivate talent and retain medical graduates within the state to bridge the physician gap.”

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[7] Ament, Alexandra, and Rittenhouse, Diane. *Understanding Graduate Medical Education in California*. California Health Care Foundation, October 2024.
[8] McNamara, Cici, and Pineda-Torres, Mayra. “Medical Residency Subsidies and Physician Shortages.” *Journal of Public Economics*, vol. 251, November 2025.

Project IMG, another co-sponsor of this bill, writes: "The current U.S. graduate medical education system was not designed to accommodate the growing number of medical graduates. Unlike systems in other countries where clinical internships are integrated into medical training, the U.S. model creates a bottleneck at the residency stage, excluding thousands of capable candidates each year. This issue is especially critical in California, where physician shortages persist due to limited residency positions, uneven provider distribution, and the underutilization of qualified graduates. AB 2398 offers a practical solution by establishing a supervised provisional pathway that can expand the physician workforce, enhance applicants' chances of matching into residency, and ensure that valuable medical talent is not lost."

ARGUMENTS IN OPPOSITION:

The *California Academy of Family Physicians* opposes this bill, writing: "Residency training is a critical component of physician education, providing hands-on, supervised clinical experience across a broad range of patient populations and conditions. Allowing medical school graduates who have not completed this level of training to practice, even under supervision, risks undermining established standards of care and may lead to inconsistent clinical competency. The complexity of modern primary care requires not only foundational medical knowledge, but also the depth of experience and clinical decision-making skills that residency training is designed to provide."

The *California Orthopaedic Association* (COA) also opposes this bill, writing: "AB 2398 would permit medical school graduates who have not completed residency training to provide patient care while being deemed 'full-scope physicians.' COA is concerned this proposal erodes the gold standard of physician training: the residency. Residencies are essential for developing surgical judgment, technical skill, and perioperative competency. In orthopaedics, where clinical decisions often carry significant functional and life-altering consequences, this training is indispensable to ensure safe and effective care."

POLICY ISSUE(S) FOR CONSIDERATION:

Need for Further Policy Development. While a lack of access to residency programs is widely recognized as a major factor in California's health care workforce shortage crisis, postgraduate training has long served as an institutional safeguard to ensure that medical school graduates are competent to practice medicine prior to seeing patients as physicians and surgeons. This bill would create a framework for individuals who have graduated from a medical school, including medical schools that are not LCME-accredited, to practice medicine without completing a residency program. In doing so, this bill would establish a significant precedent and seismically shift the expectations for applicants to demonstrate competence prior to practicing.

However, much of the language proposed in this bill remains unspecific or problematic. A number of key details of how the bill would be implemented are deferred to rulemaking by the MBC. For example, the bill would rely on regulations to determine supervision standards for physician graduates; what clinical activities would be allowed for physician graduates based on training, experience, and practice setting; and how unaccredited medical schools located outside the United States would be recognized. Physician graduates would not be limited to practicing in specified settings and would be considered "full-scope physicians," potentially extending their practice well beyond the practice of primary care, which appears to be the author's primary access concern.

Prior to a proposal like the one contained in this bill moving forward, further discussions between stakeholders should take place to address opposition concerns and resolve areas in need of more specificity and additional safeguards. There should also be more state-sponsored study into the need for legislation of this type to ensure that the actions of the Legislature on this topic are fully informed by evidence. The author should pause prior to pursuing the bill as currently proposed and instead consider requiring the collection and analysis of additional data to support the type policy being sought.

AMENDMENTS:

To allow for further research and discussion of the challenges regarding residency program access and the viability of alternatives to postgraduate training, strike the current contents of the bill and insert the following as a new Section 2127:

(a) On or before January 1, 2028, the Department of Health Care Access and Information (HCAI) shall convene a workgroup to discuss graduate medical education capacity in California, with a focus on access to residency positions.

(b) The workgroup established pursuant to subdivision (a) shall be composed of interested stakeholders which may include, but need not be limited to, representatives of the following:

(1) The Medical Board of California.

(2) The Osteopathic Medical Board of California.

(3) Accredited medical schools located in California.

(4) Teaching hospitals and health systems operating residency programs in California.

(5) Professional organizations representing physicians and surgeons in California.

(6) Organizations representing medical students, interns, and residents.

(7) Organizations representing international medical graduates.

(8) Consumer and patient advocacy organizations.

(c) Following the completion of the workgroup discussions held pursuant to subdivision (a), HCAI shall, in consultation with the Medical Board of California, prepare and submit a report to the appropriate committees of the Legislature including, but not limited to, the following information:

(1) An assessment of the current number, geographic distribution, and specialty distribution of residency positions in California.

(2) An analysis of the gap between the number of medical school graduates seeking residency positions and the number of available residency slots, including both in-state graduates and applicants from outside the state.

(3) Identification of the primary barriers to expanding residency positions, including but not limited to:

(A) Federal funding limitations.

(B) State and institutional financing constraints.

(C) Regulatory or accreditation requirements.

(D) Infrastructure and faculty capacity limitations.

(4) An evaluation of how residency placement patterns influence physician practice location, particularly in underserved and rural areas.

(5) An analysis of barriers specific to international medical graduates.

(6) An assessment of the extent to which California loses medical graduates to other states for residency training and the likelihood of those individuals returning to practice in California.

(7) Identification of best practices and policy approaches from other states or countries that have successfully expanded residency capacity or improved access for international medical graduates.

(8) Recommendations for increasing residency capacity in California, improving geographic and specialty distribution, and reducing barriers to entry, including for international medical graduates.

(9) Consideration of a proposal to allow medical graduates who have not completed a residency program to practice medicine under supervision and the feasibility and advisability of enacting such a proposal as an alternative to postgraduate training requirements for full licensure.

(d) HCAI shall submit the report required by subdivision (c) in accordance with Section 9795 of the Government Code no later than July 1, 2028.

(e) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

REGISTERED SUPPORT:

The International Medical Graduates Academy *(Sponsor)*
Project IMG *(Sponsor)*
Divine Longevity and Wellness
National Association of Assistant/Associate Physicians
National Hispanic Health Foundation
SupportedSuccess, LLC
12 individuals

REGISTERED OPPOSITION:

California Academy of Family Physicians
California Orthopaedic Association
California Society of Dermatology and Dermatologic Surgery

Cedars-Sinai
Keck Medicine of University of Southern California
Loma Linda University Health
Lucile Packard Children's Hospital
Scripps Health
Stanford Health Care

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2435 Chen – As Amended April 15, 2026

SUBJECT: Land surveyors: practice without authorization: penalties.

SUMMARY: Specifies tiered penalties for a first, second, and third conviction related to the unlicensed practice of land surveying.

EXISTING LAW:

1) Provides for the licensure and regulation of land surveyors by the Board of Professional Engineers, Land Surveyors and Geologists (BPELSG) within the Department of Consumer Affairs (DCA) under the Professional Land Surveyor's Act (Act). (Business and Professions Code (BPC) §§ 8700 *et seq.*)

2) Establishes various activities that, either in a public or private capacity, constitute the practice of land surveying, including but not limited to:

   a) Locating, relocating, establishing, reestablishing, or retracing the alignment or elevation for any of the fixed works embraced within the practice of civil engineering.

   b) Determining the configuration or contour of the earth's surface, or the position of fixed objects above, on, or below the surface of the earth by applying the principles of mathematics or photogrammetry.

   c) Locating, relocating, establishing, reestablishing, or retracing any property line or boundary of any parcel of land, right-of-way, easement, or alignment of those lines or boundaries.

   d) Making any survey for the subdivision or resubdivision of any tract of land.

   e) Determining the position for any monument or reference point that marks a property line, boundary, or corner, or setting, resetting, or replacing any monument or reference point.

   (BPC § 8726)

3) Authorizes a licensed land surveyor to perform land planning in connection with the land surveying activities authorized under the Act. (BPC § 8761.2)

4) Establishes actions that make a person guilty of a misdemeanor, including:

   a) Practicing, or offering to practice, land surveying in this state without legal authorization,

   b) Presenting as their own the certificate of a land surveyor-in-training or the license of a professional land surveyor unless they are the person named on the certificate or the license,

   c) Attempting to file as their own any record of survey under the license of a professional land surveyor,

   d) Impersonating or uses the seal, signature, or license number of a professional land surveyor or who uses a false license number, and

   e) Impersonating or uses the certificate number of a land surveyor-in-training or who uses a false certificate.

5) Authorizes a board, bureau, or commission within the DCA to establish a system for the issuance of a citation, not to exceed $5,000, where the licensee is in violation of the applicable licensing act or any regulation adopted pursuant thereto. (BPC § 125.9)

6) Authorizes a board, bureau, or commission within the DCA to establish a system for the issuance of a citation, not to exceed $5,000, to an unlicensed person who is acting in the capacity of a licensee or registrant under their jurisdiction. (BPC § 148)

THIS BILL:

1) Specifies the following penalties for a person found guilty of a misdemeanor for the unlicensed practice of land surveying:

   a) A first conviction is punishable by a fine not exceeding $10,000 or by imprisonment in a county jail for up to six months, or by both that fine and imprisonment,

   b) A second conviction is punishable by a fine not exceeding $15,000 or by imprisonment in a county jail for up to six months, or by both that fine and imprisonment; and

   c) A third or subsequent conviction is punishable by a fine not less than $20,000 or by imprisonment in a county jail for up to six months, or by both that fine and imprisonment.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is co-sponsored by the *California & Nevada Civil Engineers and Land Surveyors Association*, the *California Land Surveyors Association,* and the *American Council of Engineering Companies of California.* According to the author:

> Unlicensed land surveying threatens the safety of consumers and the public. By creating a new penalty structure for unlicensed practices, this bill promotes professional accountability, helps consumers better understand the risks associated with unlicensed land surveying services, and appropriately dissuades bad actors.

Background.

The Board of Professional Engineers, Land Surveyors and Geologists. The Board of Professional Engineers, Land Surveyors, and Geologists (BPELSG) is charged with safeguarding life, health, property, and public welfare by providing for the licensure and regulation of engineers, land surveyors, and geologists operating in the state of California. According to the BPELSG in their 2023-24 Sunset Review Report:

> The highways, bridges, dams, waterways, buildings, and electrical and mechanical systems in buildings are all products of engineering. Consequences of poorly designed bridges or buildings include deaths and injuries as well as financial hardship to the property owner ultimately responsible for damages and reconstruction. Land surveyors help to define property boundaries. A miscalculation of property boundaries in a residential or commercial neighborhood could cause a property owner financial loss if the property is sold or improvements were constructed based on reliance upon an incorrect boundary. A structure could be located on another individual's property, with concomitant major financial losses and inability to convey title. Geologists and geophysicists analyze the rock, soil, and groundwater resources in California and help to determine if active landslides, earthquake faults, or underground water supplies impact orderly and safe development or if they impact the health, safety or welfare of the public.

The BPELSG has a wide and varied scope, enforcing licensing requirements for the following professions: engineers, electrical engineers, land surveyors, mechanical engineers, professional geologists, and professional geophysicists, ensuring such professionals have the adequate training and competency necessary to perform their duties. Additionally, it enforces the title protection of licensed engineers operating in sub-specialty classifications. The BPELSG has operated in its current form since January 1, 2011. Prior to 2011, these distinct licensing professions operated under different and separate regulatory boards.

Unlicensed Practice of Land Surveying. In 2019, the BPELSG reported that it had witnessed a spike in unlicensed activity, largely stemming from the advancement and democratization of technologies (I.e. Global Positioning System (GPS) and Ground Penetrating Radar (GPR) used to render land surveying and geophysical services. At the time, the BPELSG reported that the concern was not so much that laypersons were utilizing these tools, but that unlicensed individuals were interpreting resulting data and making subsequent recommendations, which constitute the practice of land surveying and geophysics in California. The Board reported conducting outreach at industry events and formed a relationship with the California Facilities Safe Excavation Board. However, the Board continues to receive complaints about unlicensed activity and encounter businesses with no knowledge of the state's licensing requirements. Professional stakeholders contend that certain entities—such as public agencies, developers, and contractors—often perform activities that technically constitute licensed land surveying or civil engineering within their wider scope of work on a project.

In its 2023-24 Sunset Review Report, the BPELSG stated that it is currently seeking ways to enhance the effectiveness of its Enforcement Unit in addressing complaints related to unlicensed practice. While administrative citations are useful for public disclosure, they are often not effective in motivating violators to actually cease activity. The internet is increasingly used for advertising these unlicensed services, complicating enforcement. Additionally, businesses that may be licensed under other Department of Consumer Affairs (DCA) entities, such as Contractors' State Licensing Board (CSLB) licensees, can often absorb the cost of administrative fines related to unlicensed land surveying or civil engineering activity with otherwise minimal impact on their professional licensure. While the Board has authority, through administrative citation, to order individuals advertising in phone directories to disconnect telephone services regulated by the Public Utilities Commission (PUC), many unlicensed individuals operate through mobile telephone services, which are not regulated by the PUC. The Board states they are exploring new strategies, such as collaborating with online platforms to educate users about licensure requirements and remove illegal listings.

Throughout the BPELSG's 2024 Sunset Review process, sponsors of this legislation worked with this Committee, and the Senate Committee on Business, Professions, and Economic Development to explore additional ways that Board staff might better combat unlicensed activity and uplift responsible actors, including the potential for increased and additional fines. These discussions resulted in substantive reforms that were contained in the AB 3252 (Berman, Chapter 558, Statutes of 2024), including expanding prohibitions related to the impersonation of a licensed engineer, land surveyor or geologist to also include the false use of "in-training" titles, requiring licensees to disclose the existence of professional liability insurance coverage in all client contracts, and additional business disclosure requirements to increase transparency. Nevertheless, meaningful enforcement against unlicensed activity by the BPELSG remains difficult.

Last year, the sponsors of this bill put forward AB 1341 (Hoover) in an attempt to deter unlicensed land surveying and civil engineering activity. That bill would have authorized the CSLB to discipline licensees for willful violation of engineering, land surveying, or architecture licensing requirements. However, AB 1341 was held on the Senate Appropriations suspense file. As a result, the sponsors have put forward this bill in an alternative approach to enforcement against unlicensed land surveying activity. Specifically, this bill establishes penalties for convictions of unlicensed land surveying according to the following tiers: $10,000 for the first conviction, $15,000 for the second, and $20,000 for the third. Additionally, each violation could be punishable by up to six months in county jail.

Current Related Legislation. AB 1933 (Hoover) requires a county surveyor to return a record of survey to the respective licensed land surveyor or civil engineer that submitted it, and revises requirements related to a county surveyor's examination of a submitted record of survey. *This bill is currently pending in the Assembly Appropriations Committee.*

Prior Related Legislation. AB 1341 (Hoover) would have authorized the CSLB to discipline licensees for willful violation of engineering, land surveying, or architecture licensing requirements. *This bill was held on the Senate Appropriations Committee suspense file.*

AB 3253 (Berman), Chapter 588, Statutes of 2024, extended the sunset date for the Board of Professional Engineers, Land Surveyors, and Geologists until January 1, 2029, and made various other changes in response to issues raised during the sunset review process, including the requirement that licensed land surveyors to restore or rehabilitate any monument that is used as part of a survey to a permanent condition so that it may be referenced and used in the future.

ARGUMENTS IN SUPPORT:

This bill is co-sponsored by the *California & Nevada Civil Engineers and Land Surveyors Association (CELSA)*, the *California Land Surveyors Association (CLSA),* and the *American Council of Engineering Companies of California (ACEC).* In a joint letter of support, they write: "AB 2453 is a measured and well-founded response to a longstanding, well-documented enforcement problem. It will help protect consumers and the public by improving transparency and by ensuring that unlicensed practice carries meaningful consequences."

ARGUMENTS IN OPPOSITION:

There is no opposition to this bill.

POLICY ISSUE(S) FOR CONSIDERATION:

Proper Authority for the BPELSG. The author and sponsors argue that the intent of this bill is to empower regulators, particularly the BPELSG, with more tools to deter unlicensed practice. While this bill indeed would establish additional, more significant penalties in law for the unlicensed practice of land surveying, it does not actually empower the BPELSG to levy the fines. Like most other boards and bureaus under the DCA, the BPELSG is limited to assessing a fine of no more than $5,000 for violations of their practice acts (pursuant to BPC § 125.9 and § 148), and must have a specific authorization in each practice act they regulate in order to assess greater fines than $5,000 for respective violations. As such, the author and sponsors may wish to consider adding language to the bill that specifically authorizes the BPELSG to assess additional fines beyond those established by BPC § 125.9 and BPC § 148 should this bill move forward.

Enforcement of Other Unlicensed BPELSG Activities. Currently, the bill limits additional penalties to only the unlicensed practice of land surveying. However, the BPELSG has communicated to Committee staff that the unlicensed practice of the other professions they regulate—civil engineering, geology, and geophysics—is similarly problematic. As such, the ability for the BPESLG to levy additional fines against these unlicensed practices would be beneficial, as well. Should this bill move forward, it may be prudent to consider additional provisions that empower the BPELSG to levy increased citations against the unlicensed practice of civil engineering, geology, and geophysics.

REGISTERED SUPPORT:

American Council of Engineering Companies *(Co-Sponsor)*
California & Nevada Civil Engineers and Land Surveyors Association *(Co-Sponsor)*
California Land Surveyors Association *(Co-Sponsor)*

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Edward Franco / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2485 (Ahrens) – As Amended March 16, 2026

SUBJECT: Bureau of Security and Investigative Services: private investigators: client service agreements.

SUMMARY: Requires that a licensed private investigator, when providing a copy of an initial service agreement or an amendment to an agreement to a client, must provide the copy in the preferred language of the client if the client primarily speaks a language other than English.

EXISTING LAW:

1) Establishes the Bureau within the Department of Consumer Affairs (DCA) to license and regulate the locksmith, repossessor, private investigator, proprietary security, private security, and alarm company industries. (Business and Professions Code (BPC) §§ 6980.1, 7501, 7512.4, 7574.01, 7580, 7591)

2) Establishes the Private Investigator Act to provide for Bureau regulation of private investigators. (BPC §§ 7512 et seq.)

3) Requires that every agreement between a private investigator and a client, including, but not limited to, contract agreements and investigative agreements, including all labor, services, and materials to be provided for the scope of work conducted by the private investigator, shall be in writing, and shall contain, but not be limited to, the following:

   a) The licensed private investigator's name, business address, business telephone number, and license number,

   b) A disclosure that private investigators are licensed and regulated by the BSIS,

   c) The approximate start and completion dates of the work to be provided,

   d) A description of the scope of the investigation or services to be provided,

   e) An indication as to whether or not a written report is to be provided to the client and the agreed upon method of delivery of that written report, as applicable,

   f) An explanation of the fees agreed upon by the parties, including a breakdown of how the fees are assessed by the licensee, and

   g) Any other matters agreed upon by the parties.

   (BPC § 7524(a))

4) Requires that any amendment to an initial service agreement between a private investigator and a client shall be in writing, as specified and with certain conditions, including that the

amendment be legible, and that the client approve the amendment in writing before further work commences. (BPC § 7524(b)(c))

5) Requires that private investigators maintain a legible copy of the signed agreement and investigative findings, including any written report, for a minimum of two years, and shall be made available for inspection by the BSIS upon demand. (BPC § 7524(e))

THIS BILL:

1) Requires that, if a client primarily speaks a language other than English, a licensed private investigator shall provide a copy of the initial service agreement and a copy of any amendment, addendum, or other modification to the agreement in the preferred language of that client.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is author-sponsored. According to the author:

> For the substantial portion of Californians with limited proficiency in English, AB 2485 takes a crucial step to expand access to licensed private investigators. California is at its best when it protects consumers and expands access to services for vulnerable individuals. While lacking proficiency in English may impose many barriers to Californians on a day-to-day basis, this bill will ensure that the ability to contract with licensed private investigators is not one of them.

Background.

The Bureau of Security and Investigative Services. The private security industry in this country dates back to the 19th century when private citizens performed many duties that are associated with Federal and state law enforcement today. Growth in the number of individuals and the breadth of activities performed (guarding railroad shipments, detective work to investigate crimes, tracking down and apprehending criminals, and providing security advice to banks) were integral to determining that regulation of the industry was necessary.

In California, regulatory oversight of the private security industry began in 1915 when the Detective Licensing Board was created under the State Board of Prison Directors to license and regulate private detectives. The Detective Licensing Board was subsequently renamed the Detective Licensing Bureau and its statutes are currently known as the Private Investigator Act. In 1955, the Detective Licensing Bureau became the Bureau of Private Investigators and Adjustors that was combined with the Collection Agency Licensing Bureau in 1970 and renamed the Bureau of Collection and Investigative Services.

Assembly Bill 936 (Rainey, Chapter 1263, Statutes of 1993) formally renamed the Bureau as its current identifier, the Bureau of Security and Investigative Services (Bureau or BSIS). The BSIS administers six practice acts and regulates the industries affected by each practice act, including the Private Investigator Act.

A private investigator is an individual who investigates crimes; the identity, business, occupation, or character of a person; the location of lost or stolen property; or the cause of fires, losses, accidents, damage, or injury. In addition, a private investigator secures evidence for use in court. Private investigators may protect persons only if such services are incidental to an investigation, and they may not protect property. As specified in the Private Investigator Act, individuals performing private investigation activities must hold a private investigator license issued by the BSIS.

Private Investigator-Client Agreements. In the course of the BSIS's 2024 sunset review, it was raised that the Private Investigator Act did not provide any standard regarding agreements between a private investigator and their client. Most notably, there was no standard that an agreement—including the scope, terms, and fees for a contract—be in writing. As a result, the BSIS argued that when they received a complaint from a consumer related to a private investigator breaching an agreement, it was difficult for staff to investigate the complaint, often resulting in back-and-forth accusations between the licensee and client with little resolution. According to statistics from the BSIS provided to the Committees at the time, 27% of all consumer complaints regarding private investigators alleged that the investigator failed to render services or report to the consumer as agreed.

As a result, SB 1454 (Ashby, Chapter 484, Statutes of 2024), the 2024 sunset bill for the BSIS, added language that specifically mandates private investigators enter into a written agreement with clients that details, among other things, the estimated length of work, the scope of investigation, and an explanation of all fees agreed upon by the parties. Upon completion of the investigation, any written report must be provided to the client within 30 days, and the licensee must retain a copy of the agreement and any subsequent findings, amendments, or reports for a minimum of two years.

However, current law does not specify what language the service agreement must be written in. According to the author, data from the U.S. Census Bureau demonstrates that over 40 percent of Californians speak a language other than English at home, and nearly half of that population (17.1%) does not speak English proficiently or at all. As a result, the author has put forward this bill to require that, if a client primarily speaks a language other than English, a licensed private investigator shall provide a copy of the initial service agreement and a copy of any amendment, addendum, or other modification to the agreement in the preferred language of that client.

Prior Related Legislation. SB 1454 (Ashby), Chapter 484, Statutes of 2024, extended the sunset date for the BSIS and enacted various changes resulting from its sunset review, including the requirement that a private investigator provide a written copy of a service agreement to a client, as specified.

REGISTERED SUPPORT:

There is no support on file.

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Edward Franco / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2497 Johnson – As Amended April 20, 2026

SUBJECT: Physical therapists.

SUMMARY: Authorizes physical therapists (PTs) to diagnose conditions of the movement system, deletes the 45-day, 12-visit limitation on direct access of PT services, authorizes PTs to order imaging and studies for interpretation by other licensed health care professionals, clarifies that PTs may perform and interpret musculoskeletal ultrasound imaging, authorizes PTs to penetrate tissue using electrode and solid filiform needles to evaluate and treat the musculoskeletal system, increases the number of physical therapist assistants (PTAs) a PT can supervise from two to three, deletes the requirement for electromyographical certification, and revises and recasts the definitions relating to the practice of physical therapy.

EXISTING LAW:

1) Regulates the practice of medicine under the Medical Practice Act and establishes the Medical Board of California (MBC) to administer and enforce the act. (Business and Professions Code (BPC) §§ 2000-2529.6)

2) Makes it a crime for any person who practices or attempts to practice, or who advertises or holds themselves out as practicing, any system or mode of treating the sick or afflicted in this state, or who diagnoses, treats, operates for, or prescribes for any ailment, blemish, deformity, disease, disfigurement, disorder, injury, or other physical or mental condition of any person, without a physician's and surgeon's license or other authorized license. (BPC § 2052(a))

3) Regulates the practice of physical therapy under the Physical Therapy Practice Act and establishes the PTBC to administer and enforce the act. (BPC §§ 2600-2696)

4) Specifies the following aspects of the practice of physical therapy:

   a) Defines "physical therapy" as the art and science of physical or corrective rehabilitation or of physical or corrective treatment of any bodily or mental condition of any person by the use of the physical, chemical, and other properties of heat, light, water, electricity, sound, massage, and active, passive, and resistive exercise and includes evaluation, treatment planning, instruction and consultative services.

   b) Includes within the practice of physical therapy the promotion and maintenance of physical fitness to enhance the bodily movement related health and wellness of individuals through the use of physical therapy interventions.

   c) Excludes from the practice of physical therapy the use of roentgen rays and radioactive materials for diagnostic and therapeutic purposes, the use of electricity for surgical purposes, including cauterization, and the diagnosis of disease. (BPC § 2620(a))

5) Authorizes a person to access physical therapy treatment directly with a PT for 45 calendar days or 12 visits, whichever occurs first, after which the patient must obtain physician or podiatrist signed and dated approval on the PT's plan of care, as specified. (BPC § 2620.1)

6) Authorizes a PT to perform tissue penetration for the purpose of evaluating neuromuscular performance if: (1) specifically authorized by a physician and surgeon, (2) certified by the PTBC to do so, and (3) the PT does not develop or make diagnostic or prognostic interpretations of the data obtained. (BPC § 2620.5)

7) Prohibits a PT from supervising more than two PTAs at one time. (BPC § 2622(b))

8) Authorizes a PT who has received a doctoral degree in physical therapy or a doctoral degree in a related health science, as specified, to use the title "doctor" in combination with (1) the appropriate degree initials in written communication or (2) spoken specification that they are a PT. (BPC § 2633)

9) Regulates the practice of pharmacy under the Pharmacy Law and establishes the California State Board of Pharmacy to administer and enforce the act. (BPC §§ 4000-4427.8)

10) Defines "device" as any instrument, apparatus, machine, implant, in vitro reagent, or contrivance, including its components, parts, products, or the byproducts of a device, and accessories that are used or intended for (1) use in the diagnosis, cure, mitigation, treatment, or prevention of disease in a human or any other animal or (2) to affect the structure or any function of the body of a human or any other animal, excluding contact lenses, or any prosthetic or orthopedic device that does not require a prescription. (BPC § 4023)

11) Defines "dangerous device" as any device unsafe for self-use in humans or animals, and includes (1) any device that bears the statement: "Caution: federal law restricts this device to sale by or on the order of a ____," "Rx only," or words of similar import, the blank to be filled in with the designation of the practitioner licensed to use or order use of the device and (2) any other drug or device that by federal or state law can be lawfully dispensed only on prescription or authorized furnishing. (BPC § 4022)

12) Prohibits a person from furnishing any dangerous device, except upon the prescription of a physician, dentist, podiatrist, optometrist, veterinarian, or naturopathic doctor, as specified. (BPC § 4059(a))

13) Exempts the following from the prohibition against furnishing of dangerous device without a prescription:

    a) The furnishing of any dangerous device by a manufacturer, wholesaler, or pharmacy to a PT acting within the PT scope of practice under sales and purchase records that correctly provide the date the device is provided, the names and addresses of the supplier and the buyer, a description of the device, and the quantity supplied. (BPC § 4059(b))

    b) The furnishing of electroneuromyographic needle electrodes or hypodermic needles used for the purpose of placing wire electrodes for kinesiological electromyographic testing to PTs who are certified by the PTBC to perform tissue penetration, as specified. (BPC § 4059(f))

14) Prohibits a PT from dispensing or furnishing a dangerous device without a prescription of a physician, dentist, podiatrist, optometrist, or veterinarian. (BPC § 4059(g))

15) Authorizes ordering of a dangerous drug or dangerous by, and providing to, to a manufacturer, physician, dentist, podiatrist, optometrist, veterinarian, naturopathic doctor, laboratory, or a PT, as specified. (BPC § 4059.5)

16) Regulates the practice of acupuncture under the Acupuncture Licensure Act and establishes the Acupuncture Board to administer and enforce the act. (BPC §§ 4925-4979)

17) Defines "acupuncture" as the stimulation of a certain point or points on or near the surface of the body by the insertion of needles to prevent or modify the perception of pain or to normalize physiological functions, including pain control for the treatment of certain diseases or dysfunctions of the body, and includes the techniques of electroacupuncture, cupping, and moxibustion. (BPC § 4924(d))

18) Makes it a misdemeanor for any person, other than a physician and surgeon, a dentist, or a podiatrist, who is not licensed as an acupuncture but is licensed to practice another healing art, who practices acupuncture involving the application of a needle to the human body, performs any acupuncture technique or method involving the application of a needle to the human body, or directs, manages, or supervises another person in performing acupuncture involving the application of a needle to the human body. (BPC § 4935(b))

THIS BILL:

1) Defines "movement system" to mean the collection of all bodily systems that interact to move the body or its parts.

2) Redefines "physical therapist" and "physiotherapist" to mean a health care professional who is licensed to practice physical therapy on a person and is part of the primary care team who works in a variety of settings to help improve function of the movement system.

3) Redefines "physical therapy" to mean services provided by or under the direction and supervision of a PT to facilitate motion, force, energy, and motor control to maximize health, well-being, function, and community participation across the diversity of age, sex, gender, culture, environment, psychosocial and socioeconomic status.

4) Revises the practice of physical therapy to describe physical therapy services as being provided for prevention, habilitation, rehabilitation, promotion of health and well-being of bodily and mental conditions, disease or movement-based impairments, activity limitations, and participation restrictions.

5) Specifies that physical therapy services are provided for prevention, habilitation, rehabilitation, promotion of health and well-being of bodily and mental conditions, disease or movement-based impairments, activity limitations, and participation restrictions.

6) Includes within the term "physical therapy services":

   a) Examination and evaluation of the movement system and the system's relation to health-related and disabling conditions, including a review of systems and medication regimen

to identify developmental, mechanical, physiological, and biopsychosocial impairments of the movement system, participation restrictions, or other conditions to determine diagnosis of conditions of the movement system, prognosis, and intervention, and assess outcomes.

b) The design, implementation, and modification of interventions to alleviate impairments, functional limitations, and participation restrictions related to the movement system or other health-related conditions.

c) Furnishing, ordering, fabrication, and application of assistive, adaptive, orthotic, prosthetic, protective, and supportive devices and equipment consistent with the Pharmacy Law.

7) Includes within the term "physical therapy interventions": therapeutic exercise; gait training; functional training; self-care; in-home, community, or work integration or reintegration; manual therapy, including soft tissue mobilization, joint mobilization or manipulation, and intramuscular manual therapy; therapeutic massage; lymphatic drainage; neuromuscular reeducation; blood flow restriction; pulmonary management and airway clearance; integumentary protection and active repair; biophysical agents or modalities, including electrical, sound, light, mechanical, electromagnetic, or thermal; movement system counseling and education; nutritional education and counseling; and pain and stress management, and additionally includes:

   a) Prevention or reduction of risk of injury, impairment, functional limitation, and disability, including the promotion and maintenance of fitness, health, and wellness.

   b) Administration, consultation, education, and research.

   c) Referring for other indicated services and tests for consultation with other providers, decisionmaking, and patient management.

8) Deletes the 45-day or 12-visit restriction on directly accessing a PT without physician or podiatrist approval of the treatment plan and the associated disclosures, limitations, and interpretation and construction provisions.

9) Specifies that nothing in the Physical Therapy Practice Act may be construed to require a referral or prior authorization for a patient to directly access PT services.

10) Replaces the existing authority to perform tissue penetration for electromyographical testing with the authority, when authorized by a physician and certified by the PTBC, with the general authority to use of electrode needles and solid filiform needles to perform tissue penetration for the purpose of evaluating and interpreting performance and treating the neuromusculoskeletal system.

11) Specifies that the use of needles does not authorize the practice of the art and science of acupuncture as described in the Acupuncture Licensure Act.

12) Deletes remaining provisions and requirements associated with the electromyographical testing certification program, including application, renewal, and fee provisions.

13) Authorizes a PT to perform and interpret musculoskeletal ultrasound imaging.

14) Authorizes a PT to order or refer a patient for imaging and studies that are performed and interpreted by other licensed health care professionals.

15) Makes various technical, conforming, or other nonsubstantive changes.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the *California Physical Therapy Association*. According to the author:

> The Physical Therapy Practice Act dates back to the 1950s. Very few alterations have been made to it, despite progression in the profession in moving from a requirement of a Bachelor's Degree to a Master's Degree to today's standard, which calls for all to come from an education and training program ending in a Doctorate in Physical Therapy (DPT). [This bill] moves the profession forward in California in a way that benefits patients in the state, is representative of the education and training they receive to practice, and brings California more in line with what Physical Therapists are able to provide in patient care in other states.

Background. PTs are licensed health care providers who specialize in the movement system of the human body. Within the PT profession, the movement system is described as the combination of cardiovascular, pulmonary, endocrine, integumentary, nervous, and musculoskeletal systems interacting to move the body.[1]

PTs evaluate and assess patient pain, mobility, function, and other aspects of the movement system to develop a treatment plan and recommend or apply interventions, such as therapeutic exercise or other specifically dosed movements. PTs also utilize adjunctive modalities, such as heat, electrical stimulation, or ultrasound to facilitate healing.

PTs work in a wide range of settings, from organized health systems to private clinics. Physical therapy is commonly prescribed for rehabilitation after surgery, recovery from trauma, management of chronic conditions that affect the movement system.

PT Statutory Scope of Practice. The PT license authorizes the practice of physical therapy, which is defined as:

> the art and science of physical or corrective rehabilitation or of physical or corrective treatment of any bodily or mental condition of any person by the use of the physical, chemical, and other properties of heat, light, water, electricity, sound,

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[1] American Physical Therapy Association, *Physical Therapist Practice and the Movement System: An American Physical Therapy Association White Paper* (American Physical Therapy Association, 2015), 2, https://www.apta.org/contentassets/fadbcf0476484eba9b790c9567435817/movement-system-white-paper.pdf.

massage, and active, passive, and resistive exercise, and shall include physical therapy evaluation, treatment planning, instruction and consultative services.[2]

The practice of physical therapy is further defined to include "the promotion and maintenance of physical fitness to enhance the bodily movement related health and wellness of individuals through the use of physical therapy interventions."[3] According to the sponsor, this bill is intended to "modernize" this scope to reflect advancements in the profession and in other states.

Physical Therapy Practice Act "Modernization." The last major legislative overhaul of the Physical Therapy Practice Act was in 2013, which updated terminology, reorganized the structure of the act, and made general code clean-up. The last significant expansion of the scope of practice of physical therapy was "direct access" in 2013. Direct access is the term used to describe the authority for a PT to see patients for a limited amount of time without the patient having to first obtain a physician or podiatry diagnosis or referral—the patient could directly access the PT. While minor updates have been made to that authority, such as the availability of telehealth visits for ongoing treatment approvals, there have been no changes to the services PTs can provide. Arguably the last actual scope change was the addition of physical fitness and related health and wellness interventions in 2004.

Current Related Legislation. AB 2774 (Committee on Business and Professions) is the sunset review bill for the PTBC. *AB 2774 is pending in this committee.*

Prior Related Legislation. SB 1438 (Roth), Chapter 509, Statutes of 2022, was a prior sunset bill for the PTBC, which codified a DCA waiver authorizing telehealth examinations for continuing physical therapy treatment initiated directly with a PT.

SB 198 (Lieu), Chapter 389, Statutes of 2013, was the most recent legislative overhaul of the Physical Therapy Practice Act.

SB 1485 (Burton), Chapter 117, Statutes of 2004, added physical fitness and related health and wellness interventions to the PT scope of practice.

ARGUMENTS IN SUPPORT:

The *California Physical Therapy Association* (sponsor) writes in support:

> [This bill] clarifies and modernizes the scope of physical therapy practice, explicitly recognizing physical therapists as movement system experts who evaluate, diagnose movement impairments, and design interventions accordingly. In complex neurological cases, physical therapists are often the providers most consistently monitoring functional changes. Enabling us to fully practice at the top of our license improves care coordination, reduces duplication of services, and allows physicians to focus on medical management while therapists manage rehabilitation.

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[2] BPC § 2620.
[3] *Id*.

Improving timely access to care

Patients with neurological injuries and other disabling conditions are especially sensitive to delays in care. Research consistently shows that early rehabilitation improves functional outcomes, reduces long-term disability, and lowers overall healthcare costs. Patients often require timely, coordinated, and highly specialized care to optimize recovery, prevent complications, and maintain independence. [This bill] represents a critical step toward improving access, efficiency, and quality of care for these vulnerable populations and for all Californians seeking physical therapy services.

[This bill] strengthens direct access by removing outdated administrative barriers, allowing patients to receive physical therapy services more efficiently without unnecessary delays. For patients recovering from stroke or spinal cord injury, even small delays can mean the difference between regaining independence and requiring lifelong assistance.

Use of modern diagnostic tools to improve outcomes

The bill authorizes physical therapists to perform and interpret musculoskeletal ultrasound imaging and to refer patients for imaging when appropriate. For patients with neurological and musculoskeletal complications (such as spasticity, tendon injuries, or joint instability), timely imaging can significantly improve diagnostic accuracy and treatment planning. This reduces unnecessary delays, lowers costs associated with redundant referrals, and accelerates recovery. It is also a skill taught in all physical therapy programs today and allowed in practice in 22 states. While not prohibited in California, this will clarify that physical therapists can order medically necessary imaging that will help in the evaluation and treatment process of each patient.

Supporting the rehabilitation workforce and patient access

[This bill] modestly increases the number of physical therapist assistants a therapist may supervise, improving clinic efficiency and expanding access to care. Given the growing demand for rehabilitation services, driven by an aging population and increased survival from serious injuries, this change helps ensure more patients receive needed care without compromising quality or safety.

Comprehensive, patient-centered care

The bill reinforces that physical therapy includes prevention, rehabilitation, and health promotion across the lifespan, addressing impairments, activity limitations, and participation restrictions. For patients with stroke, traumatic brain injury, or spinal cord injury, recovery is not just about physical function. It is about returning to family, work, and community. [This bill] supports this broader, patient-centered model of care.

> **Recognition of current skills**
>
> Our practice act originated in the 1950s and has had relative few updates since. The changes in [this bill] update the act to recognize important treatment techniques recognized by many, if not most, other states. An example of this is the specific technique of "dry needling." This technique is recognized for use by physical therapists in 47 states, with only California, Hawaii, and New York physical therapists prohibited from using it. Additionally, as the attached letter from the largest malpractice insurer of physical therapists states, it has resulted in ZERO increase to liability of physical therapists, including NO premium increases related to use of this skill for the profession.

ARGUMENTS IN OPPOSITION:

A coalition of acupuncture groups, including the *California Acupuncture Coalition,* the *American Association of Chinese Medicine and Acupuncture,* and numerous others write in opposition:

> We are specifically opposed to the language that adds Section 2620.5 to the Business and Professions Code allowing physical therapists to practice acupuncture without any additional training.
>
> Physical therapists typically refer to the practice of acupuncture as dry needling, which is not a new or separate therapy. While acupuncture is a traditional Eastern Asian medicinal technique, studies have found that the practices are essentially the same. In 1983, a study by Dr. Janet Travell showed that 92% of dry needling trigger points overlap with acupuncture points. A 2009 study concluded that a 91% correlation between trigger point pain referral patterns and acupuncture meridians demonstrates that they are the same physiological phenomenon. To pretend otherwise is misleading to patients and dangerous to public health.
>
> Acupuncturists in California are required to have a three to four-year master's degree, a total of 3,000 hours with 950 hours of clinical training in order to practice in the State. The proposed addition to the Business and Professions Code would bypass these safeguards entirely. The bill, as currently written, adds no additional education requirements for physical therapists in order to practice acupuncture.
>
> California has deliberately established rigorous standards for acupuncture to protect patient safety. Licensed acupuncturists complete thousands of hours of didactic and clinical education in anatomy, sterile technique, point location, differential diagnosis, and complication management. The proposed bill would permit physical therapists to perform the same invasive procedure with dramatically less specialized training, effectively bypassing the safeguards the Legislature has put in place.

A coalition of physician groups that includes the *California Academy of Family Physicians*, the *California Medical Association*, the *California Neurology Society*, the *California Orthopaedic Association*, the *California Radiological Society*, the *California Society of Anesthesiologists*, the *California Society of Dermatology & Dermatologic Surgery*, and the *Psychiatric Physicians*

Alliance of California writes in opposition to the March 19, 2026, version of this bill, which still contained the prescription provisions discussed in the letter but have since been removed:

> While we deeply value the contributions of all members of the health care team, we are concerned that this bill moves beyond appropriate team-based care and risks compromising patient safety and quality of care.
>
> This bill would extensively expand the scope of practice for PTs, without any additional education or residency level training. This bill would allow PTs to be considered a primary care provider and removes any requirement for a referral from a physician or any other health care provider for PT services. Additionally, this bill would give PTs expansive prescriptive authority for oral and topical medications, excluding opioids. PTs would also be authorized to provide extensive imaging services including ordering x-rays and performing ultrasounds without any physician involvement. Lastly, this bill would allow PTs to perform dry needling without the required training or certification, creating a major patient safety issue.
>
> Due to the issues listed above this bill will lead to fragmentation of patient care, over ordering of medical tests and services, an increase in emergency room visits, and most importantly undermining the physician-led care model. All of these issues will disproportionately impact our most vulnerable communities.
>
> Physicians undergo extensive education and training, including four years of medical school and a minimum of three to seven years of residency training, amounting to over 10,000 hours of supervised clinical experience. This preparation is essential to developing the diagnostic acumen and clinical judgment required to manage complex and undifferentiated patient conditions. Expanding independent scope of practice to PTs with significantly fewer clinical training hours creates a two-tiered system of care and increases the risk of misdiagnosis, delayed treatment, and inappropriate management.
>
> Health care delivery is increasingly complex. Patients often present with multiple comorbidities, atypical symptoms, and evolving conditions that require comprehensive medical oversight. The collaborative, physician-led team model ensures that patients benefit from the full expertise of each provider while maintaining a clear standard of accountability. [This bill] undermines this model by promoting unsupervised practice rather than strengthening coordinated care.
>
> Additionally, there is insufficient evidence that scope expansions meaningfully improve access to care in underserved areas. Workforce shortages are driven by geographic, economic, and infrastructure challenges—not solely by provider type. Policies that invest in physician workforce development, incentivize practice in underserved communities, and expand team-based care models are more effective and safer solutions.
>
> Patient safety must remain the Legislature's highest priority. Scope of practice decisions should be guided by education, training, and evidence—not by workforce substitution.

POLICY ISSUES FOR CONSIDERATION:

1) *Expanded Role as Primary Care or First-Contact Providers*. The opposition raises concerns around the premature elevation of PTs to primary care providers. While this bill adds to the definition of PTs that they are "part of the primary care team," it does not directly classify them as primary care providers. Primary care providers are generally understood to mean providers with training in a broad spectrum of preventive, diagnostic, and treatment services.

   As movement specialists, PTs are not typically trained to treat systemic disease or conditions. However, with the direct access authority under this bill, PTs may be able to perform basic triage and serve as a primary contact or initial point of entry into the primary care system.

   Looking at other states, PTs are not widely being classified as primary care providers. However, there is one case. In 2025, Utah passed a law that expands the definition of "primary care" under its state insurance code to include PTs.[4] This change requires health insurers to permit patients to select a PT as their primary care provider for purposes of optimum coverage requirements. However, the law makes it clear that this does not authorize the PT to practice beyond the PT scope of practice under their practice act.

2) *Authority to Diagnose Disease within PT Scope.* The Physical Therapy Practice Act expressly prohibits a PT from "diagnosing disease."[5] A 1982 Attorney General opinion opined that PTs could not treat a condition if there was no diagnosis to confirm what was being treated.[6] As a result, before the restricted direct access established in 2013, patients were required to obtain a diagnosis from a physician before seeing a PT.

   However, even with direct access, the prohibition against diagnosis means the PT scope is limited to physical therapy evaluation of disfunction up to the point of a medical diagnosis. In other states such as Colorado, Arizona, Utah, Maryland, Massachusetts, North Dakota, and Oregon, the PT can, within the physical therapy scope of practice, make a diagnosis for the patient to use within the medical system.

   This bill would authorize PTs to diagnose conditions of the movement system, avoiding the diagnosing limitation identified by the AG. It would still not authorize diagnosis of disease.

3) *Unrestricted Direct Access*. The Physical Therapy Practice Act allows a patient to see a PT without seeing a physician or podiatrist for 12 visits or 45 days, whichever comes first. The historic rationale for the restriction was that PTs lacked the training to identify conditions that may be contributing to the need for PT services, particularly over long periods of time, necessitating a physician or podiatrist review of the treatment plan.

   Currently, 21 states do not put these types of limits on directly accessing a PT.[7] This bill would remove that restriction.

4) *Ordering and Interpreting Diagnostic Imaging*. The Physical Therapy Practice Act prohibits PTs from using "roentgen rays and radioactive materials, for diagnostic and therapeutic

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[4] S.B. 196, 2025 Gen. Sess. (Utah 2025).
[5] BPC § 2620.
[6] 65 Ops.Cal.Atty.Gen. 21 (1982).
[7] American Physical Therapy Association (APTA), State of Direct Access to Physical Therapist Services (July 2025).

purposes." As a result, PTs cannot perform or interpret advanced imaging that involve radiation, although the practice act is silent on "referring" for imaging, so long as the PT does not interpret the image. The act also authorizes the use of sound, which can be interpreted to include ultrasound. This bill would explicitly authorize performing and interpreting ultrasound, as well as ordering and referring for other types of imaging.

In 2025, North Dakota authorized PTs to order advanced imaging, such as MRIs.[8] Other states authorize ordering imaging as well but in varying degrees.[9]

5) *Dry Needling*. In physical therapy, dry needling is the use of needles to stimulate or affect underlying tissue for pain and other physical ailments.[10] In California, the Acupuncture Practice Act prohibits "the insertion of needles to prevent or modify the perception of pain or to normalize physiological functions, including pain control for the treatment of certain diseases or dysfunctions of the body" unless expressly authorized elsewhere. This bill would grant that authorization.

   The majority of states allow some form of dry needling.[11] The FSBPT's 2024 competency analysis found that, while 117 out of the 133 (88%) dry needling knowledge requirements are included in entry-level PT education:

   > The remaining knowledge requirements (n = 16) are specific to dry needling and are acquired and developed through advanced or specialized training (e.g., dry needling course, residency program). As noted in the 2015 and 2020 dry needling reports, the dry needling-specific knowledge is predominantly related to the needling technique (e.g., needle selection and placement, identification of contraindications, emergency preparedness, and response).[12]

IMPLEMENTATION ISSUES:

1) *PTBC Sunset Review Comments*. The changes being made under this bill were discussed as part of the PTBC's March 10, 2026, sunset review hearing. In the PTBC's April 9, 2026, responses to the issues raised in the hearing background paper, it wrote:

   > The PTBC appreciates the Committees' invitation to provide feedback on the proposed Physical Therapy Practice Act (Act) modernization. Through ongoing engagement with the California Physical Therapy Association (CPTA), the PTBC has been aware of the possibility of future updates to the Act, and this Background Paper provided additional context.
   >
   > Given the number of significant changes, staff is still in the process of assessing the full impact. Staff is seeing several programmatic and fiscal implications, as well as potential consumer protection concerns, which will be addressed in the

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[8] North Dakota Century Code § 43-26.1-11.1.
[9] Federation of State Boards of Physical Therapy (FSBPT), *Review of Jurisdiction and Language Regarding Physical Therapists and Imaging* (2024).
[10] FSBPT, *Dry Needling Competency Update: Report Memo 2024* (July 2024), at 3.
[11] APTA, *State Laws and Regulations Governing Dry Needling Performed by Physical Therapists in the U.S.* (Jul. 2024).
[12] FSBPT, *Dry Needling Competency Update* (2024), at 6.

PTBC's bill analysis and shared with the Committees upon completion. However, the PTBC has not yet had the opportunity to formally discuss the proposal.

At this time, the PTBC is scheduled to review and discuss pending legislation at its June 2026 meeting. The outcome of the PTBC's discussion will be shared with the Committees following the meeting.

If this bill passes this committee, the author and sponsor may wish to work with the PTBC and its staff and discuss any implementation issues or concerns that may need to be addressed.

AMENDMENTS:

1) Technical and clarifying changes to definitions. To further clarify the definitions of physical therapy and physical therapy services, maintain existing modalities such as sound within the existing PT scope, and clarify the inclusion of movement based modalities, amend the bill as follows:

On page 3 of the bill:

(f) "Physical therapy" or "physiotherapy" means services ~~provided by~~ *specified in Section 2620 that are provided as follows:*

(1) By or under the direction and supervision of a physical *therapist.* ~~therapist to~~

(2) To facilitate motion, force, energy, and motor control *through the use of the physical, chemical, and other properties of heat, light, water, electricity, sound, massage, movement, and active, passive, and resistive exercise* to maximize health, well-being, function, and community participation across the diversity of age, sex, gender, culture, environment, and psychosocial and ~~socieconomic~~ *socioeconomic* status.

(3) For prevention, habilitation, rehabilitation, promotion of health and well-being of bodily and mental conditions, disease or movement-based impairments, activity limitations, and participation restrictions.

On page 4 of the bill:

2620. (a) *The practice of physical therapy includes the following services:* ~~Physical therapy services are provided for prevention, habilitation, rehabilitation, promotion of health and well-being of bodily and mental conditions, disease or movement-based impairments, activity limitations, and participation restrictions. Nothing in this chapter shall be construed to require a referral or prior authorization for a patient to directly access physical therapist services.~~

~~(b) Physical therapy services include:~~

(1) Examination and evaluation of the movement system and the system's relation to health-related and disabling conditions, including a review of systems and medication regimen to identify developmental, mechanical, physiological, and

biopsychosocial impairments of the movement system, participation restrictions, or other conditions to determine diagnosis of conditions of the movement system, prognosis, and intervention, and assess outcomes.

[No changes to the rest of section 2620]

2) *Referral Requirements*. To clarify that, consistent with the current standard of care, PTs must refer out when a patient presents with any situation or condition that is beyond the scope of the PT, amend the bill as follows:

On page 5, insert:

2620.1*. (a) Nothing in this chapter shall be construed to require a referral or prior authorization for a patient to directly access physical therapist services.*

(b) A physical therapist shall refer a patient to a physician and surgeon or other appropriately licensed health care provider when the situation or condition of the patient is beyond the scope of the education and training of the physical therapist.

3) *Dry Needling Training Gap*. To address the gap in training related to dry needling identified by the FSBPT, amend the bill to require the DCA's Office of Professional Examination Services to review the PT competencies and require the PTBC to promulgate regulations requiring the necessary training, as follows:

On page 5, insert:

2620.4 *(a) The board shall request the department's Office of Professional Examination Services to review and validate the most recent Federation of State Boards of Physical Therapy occupational analyses of physical therapists performing the functions specified in Section 2620.6. If the federation has not performed an occupational analysis on the functions, the board shall request the office to perform the analysis.*

(b) By January 1, 2029, the board, together with the Office of Professional Examination Services, shall assess the alignment of the competencies taught in the Commission on Accreditation in Physical Therapy Education accreditation standards and tested in the National Physical Therapy Examination with the occupational analyses reviewed and validated or performed under subdivision (a).

(c) Upon the completion of the assessment specified in subdivision (b), the board shall promulgate regulations that do both of the following:

(1) Identify the scope of the services authorized under Section 2620.6 that fall within the aligned competencies identified under subdivision (b).

(2) If the assessment performed according to subdivision (b) identifies additional competencies necessary to perform the services specified in subdivision, specify the training and education required to obtain the competencies.

SEC. 5. Section 2620.5 of the Business and Professions Code is ~~repealed.~~ *amended to read:*

2620.5. A physical therapist may, upon specified authorization of a physician and surgeon, perform tissue penetration for the purpose of evaluating neuromuscular performance as a part of the practice of physical therapy, as defined in Section 2620, provided the physical therapist is certified by the board to perform the tissue penetration and evaluation and provided the physical therapist does not develop or make diagnostic or prognostic interpretations of the data obtained. Any physical therapist who develops or makes a diagnostic or prognostic interpretation of this data is in violation of the Medical Practice Act (Chapter 5 (commencing with Section 2000) of Division 2), and may be subject to all of the sanctions and penalties set forth in that act.

The board, after meeting and conferring with the Division of Licensing of the Medical Board of California, shall do all of the following:

(a) Adopt standards and procedures for tissue penetration for the purpose of evaluating neuromuscular performance by certified physical therapists.

(b) Establish standards for physical therapists to perform tissue penetration for the purpose of evaluating neuromuscular performance.

(c) Certify physical therapists meeting standards established by the board pursuant to this section.

(d) This section shall remain in effect only until the board has promulgated regulations pursuant to subdivision (c) of Section 2620.4.

SEC. 6. Section ~~2620.5~~ *2620.6* is added to the Business and Professions Code, to read:

~~**2620.5.**~~ ***2620.6.*** (a) The practice of physical therapy includes the use of electrode needles and solid filiform needles to perform tissue penetration for the purpose of evaluating and interpreting performance and treating the neuromusculoskeletal system.

(b) This section shall not be construed to authorize the practice of the art and science of acupuncture, as described in Section 4926 and as taught in acupuncture schools under Section 4927.5.

(c) This section shall become operative upon the promulgation of regulations pursuant to subdivision (c) of Section 2620.4.

4) *Imaging*. To reserve discussion of imaging for another legislative session, strike section 7 of the bill.

~~**SEC. 7.** Section 2620.6 is added to the Business and Professions Code, to read:~~

~~**2620.6.** A physical therapist may perform and interpret musculoskeletal ultrasound imaging. A physical therapist may also order or refer a patient for~~

~~imaging and studies that are performed and interpreted by other licensed health care professionals.~~

REGISTERED SUPPORT:

California Physical Therapy Association (sponsor)
hundreds of individuals

REGISTERED OPPOSITION:

Academy of Chinese Culture and Health Sciences
Alhambra Medical University Alumni Association
Alhambra Medical University
American Association of Chinese Medicine and Acupuncture
Association of Korean Asian Medicine and Acupuncture of America
California Academy of Family Physicians
California Acupuncture Coalition
California Medical Association
California Neurology Society
California Orthopaedic Association
California Radiological Society
California Society of Anesthesiologists
California Society of Dermatology & Dermatologic Surgery
California University - Silicon Valley
Christian O.M Acupuncture Association America
Dongguk University Los Angeles
Five Branches University
Golden State University Acupuncture School
Japanese Acupuncture Association of California
North East Medical Services
Osteopathic Physicians and Surgeons of California
Psychiatric Physicians Alliance of California
United Acupuncture Association
Whitewater University of California
Yo San University of Traditional Chinese Medicine
hundreds of individuals

Analysis Prepared by: Vincent Chee / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2697 (Pellerin) – As Amended April 13, 2026

SUBJECT: Cannabis: drive-throughs.

SUMMARY: Authorizes a local jurisdiction to allow for a licensed cannabis retailer to conduct sales through a drive-through, in accordance with specified conditions.

EXISTING LAW:

1) Enacts the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) to provide for a comprehensive regulatory framework for the cultivation, distribution, transport, storage, manufacturing, processing, and sale of medicinal and adult-use cannabis. (Business and Professions Code (BPC) §§ 26000 *et seq.*)

2) Establishes the Department of Cannabis Control (DCC) within the Business, Consumer Services, and Housing Agency (previously established as the Bureau of Cannabis Control, the Bureau of Marijuana Control, the Bureau of Medical Cannabis Regulation, and the Bureau of Medical Marijuana Regulation), for purposes of administering and enforcing MAUCRSA. (BPC § 26010)

3) Establishes grounds for disciplinary action against cannabis licensees, including failures to comply with state requirements as well as local laws and ordinances. (BPC § 26030)

4) Authorizes the DCC to issue a citation to a licensee or unlicensed person for violating any provision of MAUCRSA. (BPC § 26031.5)

5) Prohibits a person or entity from engaging in commercial cannabis activity without a state license issued by the DCC. (BPC § 26037.5)

6) Provides the DCC with authority for issuing various types of cannabis licenses including subtypes for cultivation, manufacturing, testing, retail, distribution, and microbusiness; requires each licensee except for testing laboratories to clearly designate whether their license is for adult-use or medicinal cannabis. (BPC § 26050)

7) Requires an applicant for a license from the DCC to provide a complete detailed diagram of the proposed premises wherein the license privileges will be exercised, with sufficient particularity to enable ready determination of the bounds of the premises, showing all boundaries, dimensions, entrances and exits, interior partitions, walls, rooms, and common or shared entryways, and include a brief statement or description of the principal activity to be conducted therein, and, for licenses permitting cultivation, measurements of the planned canopy, including aggregate square footage and individual square footage of separate cultivation areas, if any, roads, water crossings, points of diversion, water storage, and all other facilities and infrastructure related to the cultivation. (BPC § 26051.5)

8) Prohibits a cannabis licensee from selling alcoholic beverages or tobacco products on its premises. (BPC § 26054)

9) Authorizes the DCC to issue state licenses only to qualified applicants. (BPC § 26055(a))

10) Prohibits a licensee from changing or altering the premises in a manner which materially or substantially alters the premises, its usage, or the mode or character of business operation conducted from the premises, from the plan contained in the diagram on file with the application, unless written approval by the DCC has been obtained. (BPC § 26055(c))

11) Prohibits the DCC from approving an application for a state cannabis license if approval of the license will violate the provisions of any local ordinance or regulation. (BPC § 26055(d))

12) Requires the DCC to deny an application if either the applicant, or the premises for which a state license is applied, do not qualify for licensure under MAUCRSA or if specified conditions apply. (BPC § 26057)

13) Establishes requirements for cannabis retailers, including a requirement that each retailer have a licensed premises which is a physical location from which commercial cannabis activities are conducted; authorizes a retailer's premises to be closed to the public and for a retailer to conduct sales exclusively by delivery. (BPC § 26070(a))

14) Requires the DCC to establish minimum security and transportation safety requirements for commercial distribution. (BPC § 26070(b))

15) Requires a cannabis retailer to notify the DCC and the appropriate law enforcement authorities within 24 hours after discovering diversion, theft, loss, or any other criminal activity. (BPC § 26070(k))

16) Requires cannabis or cannabis products purchased by a customer to be placed in an opaque package prior to leaving a licensed retail premises. (BPC § 26070.1)

17) Requires licensees to keep accurate records of commercial cannabis activity and authorizes the DCC to examine those records and inspect the premises of a licensee. (BPC § 26160)

18) Provides that state cannabis laws do not supersede or limit the authority of a local jurisdiction to adopt and enforce local ordinances to regulate cannabis businesses. (BPC § 26200)

THIS BILL:

1) Permits a local jurisdiction to authorize a licensed retailer or microbusiness that conducts storefront retail sales from a premises to sell cannabis or cannabis products to a customer in a motor vehicle in a drive-through located on the premises.

2) Requires drive-through sales to occur through a fixed-pane security window with a security drawer or similar secure transfer mechanism that is part of a building located within the premises; exempts a retailer that conducted retail sales through a drive-through in compliance with state and local law before January 1, 2027 from these requirements.

3) Prohibits a retailer that conducts sales exclusively through delivery or that does not maintain a premises open to the public for retail sales from operating a drive-through.

4) Requires sales conducted through a drive-through to comply with MAUCRSA and any regulations adopted by the DCC.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is sponsored by the author. According to the author:

> California cannabis retailers lack a common and accessible transaction path for consumers afforded so many other retailers in California, including fast food, pharmacies, banks, and even liquor stores. Cannabis consumers who have mobility issues or other disabilities have limited options for being able to obtain cannabis without having to step out of their vehicles. And while home delivery is legal, there are service area restrictions. Allowing cannabis retailers to add the consumer-friendly option of a secured drive through, if approved by the local jurisdiction, will enhance the consumer experience, increase safety at cannabis retailers, and help expand California's legal cannabis marketplace.

Background.

Brief History of Cannabis Regulation in California. Consumption of cannabis was first made lawful in California in 1996 when voters approved Proposition 215, or the Compassionate Use Act. Proposition 215 protected qualified patients and caregivers from prosecution relating to the possession and cultivation of cannabis for medicinal purposes, if recommended by a physician. This regulatory scheme was further refined by Senate Bill 420 (Vasconcellos) in 2003, which established the state's Medical Marijuana Program. After several years of lawful cannabis cultivation and consumption under state law, a lack of a uniform regulatory framework led to persistent problems across the state. Cannabis's continued illegality under the federal Controlled Substances Act, which classifies cannabis as a Schedule I drug ineligible for prescription, generated periodic enforcement activities by the United States Department of Justice. Threat of action by the federal government created persistent apprehension within California's cannabis community.

After several prior attempts to improve the state's regulation of cannabis, the Legislature passed the Medical Marijuana Regulation and Safety Act—subsequently retitled the Medical Cannabis Regulation and Safety Act (MCRSA)—in 2015. MCRSA established, for the first time, a comprehensive statewide licensing and regulatory framework for the cultivation, manufacture, transportation, testing, distribution, and sale of medicinal cannabis. While entrusting state agencies to promulgate extensive regulations governing the implementation of the state's cannabis laws, MCRSA fully preserved local control. Under MCRSA, local governments could establish their own ordinances to regulate medicinal cannabis activity. Local jurisdictions could also choose to ban cannabis establishments altogether.

Not long after the Legislature enacted MCRSA, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA) in 2016. The passage of the AUMA legalized cannabis for non-medicinal adult use in a private home or licensed business; allowed adults 21 and over to possess and give away up to approximately one ounce of cannabis and up to eight grams of cannabis concentrate; and permitted the personal cultivation of up to six cannabis plants. The proponents of the AUMA sought to make use of much of the regulatory framework and authorities set out by MCRSA while making a few notable changes to the structure still being implemented.

In the spring of 2017, Senate Bill 94 (Committee on Budget and Fiscal Review) was passed to reconcile the distinct systems for the regulation, licensing, and enforcement of legal cannabis that had been established under the respective authorities of MCRSA and the AUMA. The single consolidated system established by the bill—known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)—created a unified series of cannabis laws. On January 16, 2019, the state's three cannabis licensing authorities—the Bureau of Cannabis Control (BCC), the California Department of Food and Agriculture, and the California Department of Public Health—officially announced that the Office of Administrative Law had approved final cannabis regulations promulgated by the three agencies respectively.

In early 2021, the Department of Finance released trailer bill language to create a new Department with centralized authority for cannabis licensing and enforcement activities. This new department was created through a consolidation of the three prior licensing authorities' cannabis programs. As of July 1, 2021, the Department has been the single entity responsible for administering and enforcing the majority of MAUCRSA. New regulations went into effect on January 1, 2023 to effectuate the organizational consolidation and make other changes to cannabis regulation.

Drive-Through Sales. In late 2017, the BCC issued emergency regulations for the sale, distribution, and transportation of cannabis and cannabis products in advance of the AUMA's January 1, 2018 implementation deadline. These regulations established various requirements for the designated premises wherein an applicant for a license intended to engage in retail cannabis activity. These regulations included the following language:

> *(c) Retailers and microbusinesses authorized to conduct retail activities shall only serve customers who are within the licensed premises, or at a delivery address that meets the requirements of this division.*
>
> *(1) The sale and delivery of cannabis goods shall not occur through a pass-out window or a slide- out tray to the exterior of the premises.*
>
> *(2) Retailers or microbusinesses shall not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle.*
>
> *(3) No cannabis goods shall be sold and/or delivered by any means or method to any person within a motor vehicle.*

The BCC readopted its emergency regulations and proposed permanent regulations in mid-2018. When the BCC modified its regulations, it added a new subdivision to the rules prohibiting the operation of drive-through sales, providing that an applicant or licensee may have a drive-through window only if the licensee or applicant either received or applied for and subsequently received, prior to June 1, 2018, a license or permit from the local jurisdiction for a premises including a drive-through window which was disclosed on the local application. As a result of this new regulatory language, several cannabis retailers were granted "grandfathered" authority to operate a drive-through on their premises, including a dispensary located in Desert Hot Springs.[1]

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[1] "Harborside Cannabis Drive-Thru Opens in Desert Hot Springs." *The Desert Sun*, December 2019.

The BCC's regulations were similarly interpreted to prohibit curbside pickup from cannabis retailers. However, during the COVID-19 pandemic, the BCC announced that it would not be enforcing its regulations and would allow for curbside sales by cannabis retailers, which had been declared essential businesses. When the DCC proposed new permanent regulations in March 2022 to effectuate the agency consolidation, it made the allowance for curbside delivery permanent through the adoption of the following language:

> *A licensed retailer or licensed microbusiness authorized to engage in storefront sales at their licensed premises may conduct sales through curbside delivery. Cannabis goods that have been purchased by a customer may be delivered to the customer in a vehicle parked immediately outside the licensed retail premises. Curbside delivery of cannabis goods must occur under video surveillance and meet the requirements … for recording point-of-sale areas. Retail employees engaging in curbside delivery must verify each customer's age. … Licensed retailers who are only authorized to engage in retail sales through delivery shall not conduct sales through curbside delivery.*

While the DCC's regulations now permanently allow for curbside delivery, drive-through sales remain unlawful. Arguments have been made that allowing for cannabis transactions with consumers who are located inside of a motor vehicle would encourage driving while under the influence of cannabis, or have other negative consequences in relation to diversion. However, these would presumably already apply to curbside delivery, which is now legal.

This bill would preempt the DCC's regulations and allow for cannabis retailers to operate a drive-through, subject to approval by the licensee's local jurisdiction. The drive-through sales would be required to occur through a fixed-pane security window with a security drawer or similar secure transfer mechanism that is part of a building located within the premises. Retailers who are currently operating through the grandfathering language in the DCC's regulations would be exempt from these requirements. The goal of the author is to allow for more cannabis retailers to utilize drive-throughs as a method of providing consumers with greater access and convenience.

Prior Related Legislation. AB 2824 (M. Bonta) would have authorized cannabis retailers to offer curbside pickup. *This bill was not set for a hearing in this committee.*

SB 94 (Committee on Budget and Fiscal Review, Chapter 27, Statutes of 2017) combined AUMA and MCRSA into one system for the regulation of cannabis, resulting in MAUCRSA.

ARGUMENTS IN SUPPORT:

A coalition of organizations representing the cannabis industry writes jointly in support of this bill: "Adding drive through would create another consumer-friendly option for California consumers to access safe and legal cannabis, provided the local jurisdiction that approves the storefront retail operation further approves that retail location to offer this option. Further, it would allow a cannabis storefront retailer to provide the same level of service as curbside pickup, with the added benefit of not having employees exit the perimeter of the secured retail location. For this reason, we are pleased to support this simple and common sense bill and look forward to working with you as this bill moves through the legislative process."

ARGUMENTS IN OPPOSITION:

The *California Narcotic Officers' Association* opposes this bill, writing: "While intended to promote convenience, this retail model introduces elevated risks related to impaired driving, regulatory compliance, crime exposure, and traffic safety. Importantly, no similar statute authorizes drive-thru window liquor sales. Drive-thru window cannabis sales create a direct nexus between purchase and vehicle operations. This will increase the likelihood of drug-impaired driving incidents and deaths by encouraging the immediate or near-immediate consumption following the purchase of edible & high-potency products resulting in dangerous impairment."

REGISTERED SUPPORT:

A Therapeutic Alternative
California Cannabis Industry Association
California Cannabis Operators Association
Cannabis Distribution Association
Chucks Wellness Center
Dixon Wellness Cannabis Collective
Good Farmers Great Neighbors
Kiva Confections
Napa Cannabis Collective
Nug, Inc.
Woodland Cannabis Dispensary

REGISTERED OPPOSITION:

California Narcotic Officers' Association

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2771 (Committee on Business and Professions) – As Amended April 7, 2026

NOTE: This bill is double referred and passed out of the Assembly Higher Education Committee on April 14, 2026, on an 8-1-1 vote.

SUBJECT: California Private Postsecondary Education Act of 2009.

SUMMARY: Extends the sunset date for the Bureau for Private Postsecondary Education (Bureau or BPPE) until January 1, 2031, and makes additional technical changes, statutory improvements, and policy reforms in response to issues raised during the Bureau's sunset review oversight process.

EXISTING LAW:

1) Enacts the California Private Postsecondary Education Act (Act) to provide for the regulation and oversight of private postsecondary schools, subject to repeal on January 1, 2023. (Education Code (EDC) §§ 94800 *et seq.*)

2) Establishes the BPPE within the Department of Consumer Affairs (DCA) to regulate private postsecondary educational institutions under Act. (EDC § 94820)

3) Exempts various institutions from the Act, as specified. (EDC § 94874)

4) Requires the Bureau to establish, by regulation, a process for an exempt institution to request and obtain from the Bureau verification that the institution is exempt. The verification shall be valid for a period of up to two years, as long as the institution maintains full compliance with the requirements of the exemption. (EDC § 94874.7)

5) Requires the Bureau, within 30 days of receiving notice from an institution of specified events, to request the institution explain in writing why the institution should be permitted to continue to enroll California residents. If the Bureau, after reviewing the information submitted in response to the request and after consultation with the Attorney General (AG), issues a written finding that there is no immediate risk to California residents from the institution continuing to enroll new students, the institution must be permitted, pending completion of a review by the Bureau, to continue to enroll new students or the Bureau may, in its discretion, limit enrollments. (EDC § 94801.5(b)(1))

6) Requires institutions exempt from the Act to still comply with laws relating to school closure and laws relating to fraud, abuse, and false advertising. (EDC § 94874.9)

7) Defines "postsecondary education" as a formal institutional educational program whose instruction is designed primarily for students who have completed or terminated their secondary education or are beyond the compulsory age of secondary education, including programs whose purpose is academic, vocational, or continuing professional education. (EDC § 94857)

8) Defines "private postsecondary educational institution" as a private entity with a physical presence in the state that offers postsecondary education to the public for an institutional charge. (EDC § 94858)

9) Defines "out-of-state private postsecondary educational institution" as a private entity without a physical presence in this state that offers distance education to California students for an institutional charge, regardless of whether the institution has affiliated institutions or institutional locations in California. (EDC § 94850.5)

10) Includes in the definition of "public higher education" the California Community Colleges, the California State University, and the University of California; defines "independent institutions of higher education" as nonpublic higher education institutions that grant undergraduate degrees or graduate degrees and are accredited by an agency recognized by the United States Department of Education. (EDC § 66010)

11) Requires the BPPE to adopt regulations establishing minimum operating standards for a private postsecondary educational institution, as specified. (EDC § 94885(a))

12) Requires an institution offering a degree to satisfy one of the following requirements:

    a) Accreditation by an accrediting agency recognized by the United States Department of Education (USDE), with the scope of that accreditation covering the offering of at least one degree program offered by the institution.

    b) An accreditation plan, approved by the Bureau, for the institution to become fully accredited within five years of the Bureau's issuance of a provisional approval to operate to the institution's degree programs.

    (EDC § 94885(b))

13) Requires an institution that has not been accredited by an accrediting agency recognized by the USDE and that seeks to offer one or more degree programs to satisfy the following requirements in order to be issued a provisional approval to operate degree programs from the Bureau:

    a) The institution may not offer more than two degree programs during the term of its provisional approval to operate degree programs.

    b) The institution must submit an accreditation plan, approved by the Bureau, for the institution to become fully accredited within five years of issuance of its provisional approval to operate degree programs.

    c) The institution must submit to the Bureau all additional documentation the Bureau deems necessary to determine if the institution will become fully accredited within five years of issuance of its provisional approval to operate degree programs.

    (EDC § 94885.5(a))

14) Provides that if an institution is granted a provisional approval to operate degree programs, the following is required:

a) Students seeking to enroll in that institution shall be notified in writing by the institution, before the execution of the student's enrollment agreement, that the institution's approval to operate is contingent upon it being subsequently accredited.

b) Within the first two years of issuance of the provisional approval to operate degree programs, a visiting committee, empaneled by the Bureau, must review the institution's application for approval and its accreditation and make a recommendation to the Bureau regarding the institution's progress to achieving full accreditation.

c) The institution must provide evidence of accreditation candidacy or pre-accreditation within two years of issuance of its provisional approval to operate degree programs, and evidence of accreditation within five years of issuance of its provisional approval to operate degree programs, with the scope of that accreditation covering the offering of at least one degree program.

(EDC § 94885.5(b))

Provides that an institution that fails to obtain accreditation by the dates provided, as required, or for which accreditation is removed or revoked by the accrediting agency, shall have its provisional approval to operate degree programs automatically suspended on the applicable date. The Bureau shall issue an order suspending the institution's degree programs and that suspension shall not be lifted until the institution complies with the requirements of this section or has its accreditation reinstated. An institution that has its degree programs suspended cannot enroll new students in any of its degree programs and shall execute a teach-out plan for its enrolled students in those degree programs. (EDC § 94885.5(c)(1))

15) Authorizes the BPPE to grant approval to operate only after an applicant has presented sufficient evidence to the Bureau, and the Bureau has independently verified the information provided by the applicant through site visits or other methods deemed appropriate by the Bureau, that the applicant has the capacity to satisfy the minimum operating standards; requires the BPPE to deny an application for an approval to operate if the application does not satisfy those standards. (EDC § 94887)

16) Specifies that the addition of a separate branch more than five miles from the main or branch campus is considered a substantive change and requires prior authorization from the Bureau. (EDC § 94894)

17) Enumerates prohibited business practices, including withholding a student's transcript as a debt collection tool. (EDC § 94897(s))

18) Provides that the recordkeeping requirements of the Act do not apply to an institution that is accredited, if the recordkeeping requirements of the accrediting organization are substantially similar to the recordkeeping requirements of the Act, as determined by the Bureau. (EDC § 94900.7)

19) Requires an institution that offers an educational program in a profession, occupation, trade, or career field that requires state licensure to have an educational program approval from the appropriate state licensing agency to conduct that educational program in order that a student

who completes the educational program is eligible to sit for any required licensure examination. (EDC § 94899)

20) Specifies that a student shall enroll solely by means of executing an enrollment agreement. The enrollment agreement shall be signed by the student and by an authorized employee of the institution. (EDC § 94902(a))

21) Specifies that if the institution has a general student brochure, the institution must provide that brochure to the prospective student before enrollment. In addition, if the institution has a program-specific student brochure for the program in which the prospective student seeks to enroll, the institution must provide the program-specific student to the prospective student before enrollment. (EDC § 94909(b))

22) Requires an enrollment agreement to include specified information, disclosures, and attestations. (EDC § 94911)

23) Requires each institution that participates in federal student financial aid programs, including, but not necessarily limited to, those programs authorized by Title IV of the federal Higher Education Act of 1965 or veterans' financial aid programs authorized pursuant to Section 21.4253 of Title 38 of the Code of Federal Regulations, to provide students with the Financial Aid Shopping Sheet as developed by the USDE to inform students or potential students about financial aid award packages prior to enrollment. (EDC § 94912.5)

24) Requires an institution to post its school catalog, School Performance Fact Sheets, and student brochures on its website. (EDC § 94913(a))

25) Requires an institution extending credit or lending money to an individual for institutional and noninstitutional charges for an educational program to cause any note, instrument, or other evidence of indebtedness taken in connection with that extension of credit or loan to be conspicuously marked on its face in at least 12-point type with the following notice:

"NOTICE"

"You may assert against the holder of the promissory note you signed in order to finance the cost of the educational program all of the claims and defenses that you could assert against this institution, up to the amount you have already paid under the promissory note."

(EDC § 94916)

26) Establishes the Student Tuition Recovery Fund (STRF) to relieve or mitigate economic loss suffered by a student while enrolled in an approved institution, who, at the time of the student's enrollment, was a California resident or was enrolled in a California residency program, prepaid tuition, and suffered economic loss. (EDC § 94923(a))

27) Specifies when students are eligible for payment from the STRF. (EDC § 94923(b)(2))

28) Prohibits the amount in the STRF from exceeding $25 million and specifies that if the Bureau has temporarily stopped collecting the STRF assessments because the fund has approached the $25,000,000 limit, the Bureau must resume collecting STRF assessments when the fund falls below $20,000,000. (EDC § 94925)

29) Provides that prior to closing, an institution must provide the Bureau with copies of pertinent student records, including transcripts, in hardcopy or electronic form, as determined by the Bureau, pursuant to regulations adopted by the Bureau. (EDC § 94927.5(a)(1))

30) Requires the Bureau to indicate in an annual report, to be made publicly available on its internet website, the number of temporary restraining orders, interim suspension orders, and disciplinary actions taken by the Bureau, disaggregated by each priority category. (EDC § 94941(d))

31) Requires the Bureau to cite any person, and that person shall be subject to a fine not to exceed $100,000, for operating an institution without proper approval to operate issued by the Bureau. The maximum fine for unlicensed activity is separate and not inclusive of fines for other violations or refunds ordered. (EDC § 94944)

32) Specifies that each institution shall be deemed to have authorized its accrediting agency to provide the Bureau, the AG, any district attorney, city attorney, or the Student Aid Commission, within 30 days of written notice, copies of all documents and other material concerning the institution that are maintained by the accrediting agency. (EDC § 94944.5)

33) Specifies that within 30 days of receiving a written notice from the Bureau, the AG, district attorney, city attorney, or the Student Aid Commission, an accrediting agency must provide the requesting entity with all documents or other material concerning an institution accredited by that agency that are designated specifically or by category in the written notice. (EDC § 94944.6)

34) Requires the Director of Consumer Affairs to provide written updates to the Legislature every six months describing the Bureau's progress in protecting consumers and enforcing the provisions of the Act. (EDC § 94948)

35) Subjects the BPPE to legislative oversight through the sunset review process, which provides for the Act and the authority of the BPPE to be automatically repealed as of January 1, 2027, unless a later enacted statute deletes or extends that date. (EDC § 94950)

THIS BILL:

1) Specifies that the Bureau, upon receipt of specified notifications or complaints regarding out-of-state institutions, may request from the institution, and the institution must provide, information necessary to determine whether the institution's registration should be revoked or have conditions placed upon it.

2) Clarifies and narrows exemptions for:

    a) Institutions offering educational programs to members of a bona fide trade, business, professional, or fraternal organization,

    b) Religious institutions offering religious courses,

    c) Institutions that do not award degrees and that solely provide educational programs for less than $2,500, and

    d) Flight instruction providers or programs.

3) Specifies that, in response to a request for exempt status verification, the Bureau may approve the request, deny the request, or determine that it is unable to verify the exemption.

4) Prohibits the Bureau from granting a verification of exemption to an institution under either of the following conditions:

   a) The institution previously held an approval to operate and has an outstanding citation or fine, or is under discipline.

   b) The institution offers one or more programs designed to lead to licensure that do not hold approval from the pertinent licensing body or bodies.

5) Specifies that a Bureau determination pertaining to a verification of exemption is not an adverse administrative action and is not subject to appeal.

6) Specifies that verification of exemption is not required to operate as an exempt institution.

7) Requires the Bureau to establish a reasonable fee to reimburse the Bureau's costs associated with a request for verification.

8) Requires institutions offering degrees to be accredited by one or more accrediting agencies recognized by the USDE, with the scope of that accreditation covering all degree programs offered by the institution.

9) Prohibits an institution that has not been accredited by an accrediting agency recognized by the USDE from offering more than two degree programs during the term of its provisional approval to operate degree programs and limits enrollment of students on student visas to no more than 25 percent of total enrollment in any provisionally approved degree program.

10) Repeals a requirement that the Bureau, within the first two years of issuance of the provisional approval to operate degree programs, empanel a visiting committee to review the institutions application for approval and its accreditation plan, and make a recommendation to the Bureau regarding the institution's progress to achieving full accreditation and instead authorizes the Bureau, at its discretion, to empanel a visiting committee within four years.

11) Replaces the term "suspended" with "terminated."

12) Specifies that an institution with a provisionally approved degree program that is terminated by the Bureau or surrendered by the institution cannot apply for a provisional approval to operate degree programs until two years after the date of the prior termination or surrender.

13) Removes the requirement that the Bureau independently verify information provided by applicants for an approval to operate, and prohibits the Bureau from granting an approval to operate unless the applicant has satisfied the minimum operating standards.

14) Specifies that a nondegree program not within the scope of accreditation will not be included as an approved program by the Bureau without the express written consent of the institution's accrediting agency.

15) Requires an institution to demonstrate its continued compliance with the minimum operating standards to be granted a renewal of an approval to operate.

16) Specifies that the addition of a separate branch (any distance from the main or branch campus) is considered a substantive change to an approval to operate and requires prior authorization.

17) Prohibits an institution from withholding documentation, as specified, because the student owes a debt or as a tool for debt collection.

18) Repeals an exemption to recordkeeping requirements that are substantially similar to the recordkeeping requirements of an institution's accreditor.

19) Requires enrollment agreements to be dated and include a description of the method of delivery that will be used for instruction in the educational program.

20) Specifies that, if an institution has a handbook or other student-facing materials that provide additional clarity about the information or policies required to be included in the school catalog, the institution must provide those materials to the prospective student before enrollment. In addition, if the institution has program-specific materials for the program in which the prospective student seeks to enroll, the institution must provide them to the prospective student before enrollment.

21) Requires the "STUDENT'S RIGHT TO CANCEL" disclosure in an enrollment agreement to list the date of the first class session.

22) Requires an enrollment agreement to state that students must be given a copy of the institution's current handbook, as applicable.

23) Repeals an enrollment agreement attestation stating "I certify that I have received the catalog, School Performance Fact Sheet, and information regarding completion rates, placement rates, license examination passage rates, salary or wage information, and the most recent three-year cohort default rate, if applicable, included in the School Performance Fact Sheet, and have signed, initialed, and dated the information provided in the School Performance Fact Sheet."

24) Updates the name of a federal financial aid document required to be provided to students and requires institutions to keep a copy of this document with other student records.

25) Requires an institution that maintains an internet website to provide on that website a current version of handbooks or other student-facing materials offered by the institution that provide additional clarity about the information or policies required to be included in the school catalog.

26) Modifies a required notice to students from institutions directly or indirectly receiving proceeds from a credit contract, and establishes that it is a violation of law for an institution to directly or indirectly receive proceeds from a credit contract that does not contain this required notice.

27) Authorizes the STRF to relieve or mitigate economic loss suffered by a student *in connection with enrollment in* an institution, as specified (emphasis added to distinguish from current law).

28) Allows the Bureau to rely on findings by an oversight entity, as defined, when determining if there was a significant decline in the quality or value of a program more than 120 days before closure.

29) Specifies that students to whom a government body, at any point, designates as eligible for relief under a program that addresses unlawful activity or closure, including, but not limited to, a refund, restoration of benefits, or loan discharge program such as federal "Closed School Discharge," "False Certification," or "Borrower Defense" programs is eligible for STRF.

30) Specifies that a student who have been awarded relief, inducing but not limited to, an enforcement action, settlement agreement, debt relief determination, or monetary award for an arbitrator or court, based on unlawful activity by an institution or representative of an institution, but who has been unable to collect the award from the institution or obtain debt cancellation, is eligible for STRF.

31) Provides that in making a determination about student eligibility and economic loss, in addition to evidence submitted with an application, the Bureau may consider all available evidence, including, but not limited to, evidence obtained in the Bureau's investigation and enforcement functions and evidence available to the Bureau that is obtained in the course of oversight and enforcement actions by an accreditor, other government agency, or private adjudication. Requires the Bureau to take into account the availability of records and allows the Bureau to accept an attestation or other substantiation as deemed appropriate.

32) Repeals a $25 million cap on the STRF and a requirement for the Bureau to resume collecting STRF assessments when the fund falls below $20 million, and instead specifies, that in determining the amount of STRF assessments to collect from each student as specified, the Bureau must strive to maintain a fund balance in the STRF between $15 million and $25 million.

33) Requires an institution to provide the Bureau with copies of pertinent student records, as specified, and a plan for the retention of records and transcripts, as applicable, pursuant to regulations adopted by the Bureau, rather than prior to closing.

34) Specifies that copies of pertinent student records provided to the Bureau must be in electronic form.

35) Repeals a requirement for the Bureau to indicate in an annual report the number of temporary restraining orders, interim suspension orders, and disciplinary actions taken by the Bureau, disaggregated by each priority category.

36) Requires the Bureau to cite and fine any person up to $100,000 for offering or providing to the public educational programs without proper approval to operate issued by the Bureau, as specified.

37) Specifies that each institution will be deemed to have authorized any accrediting agency from which it is pursuing accreditation to provide the Bureau, the AG, any district attorney, city attorney, or the Student Aid Commission, within 30 days of written notice, copies of all documents and other material concerning the institution that are maintained by the accrediting agency.

38) Requires an accrediting agency, within 30 days of receiving a written notice, to provide the Bureau, the AG, district attorney, city attorney, or the Student Aid Commission with all documents or other material concerning an institution in pursuit of accreditation by that agency, as specified.

39) Make a biannual report to the Legislature due annually.

40) Extends the Bureau's sunset date until January 1, 2031.

41) Repeals obsolete dates and makes other technical, clarifying, and conforming changes.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development hold joint sunset review oversight hearings to review the licensing boards under the Department of Consumer Affairs (DCA). The DCA boards are responsible for protecting consumers and the public and regulating the professionals they license. The sunset review process provides an opportunity for the Legislature, DCA, boards, and stakeholders to discuss the boards' performance and make recommendations for improvements.

Each board subject to review has an enacting statute with a repeal date, meaning their authority must be extended by the Legislature before the repeal date, otherwise the board will lose its statutory mandate. This bill is a "sunset" bill, intended to extend the repeal date of two DCA boards, the Board of Psychology and the Board of Behavioral Sciences, as well as incorporate the recommendations from the sunset review oversight hearings.

This year, there are five sunset review bills authored by the chair of the Assembly Committee on Business and Professions and five bills authored by the chair of the Senate Committee on Business, Professions and Economic Development.

Background.

Overview of Higher Education Regulation. The USED, independent accrediting agencies, and states, collectively known as the Triad, share responsibility for regulating higher education. The USED sets standards for higher education institutions participating in federal financial aid, administers federal financial aid, and recognizes (approves) independent accrediting agencies. Accreditors ensure that higher education institutions and programs maintain educational quality and adhere to established operational standards related to record keeping, facilities, and financial viability. Only institutions accredited by a federally recognized accrediting agency may participate in federal student aid programs. States are obligated to authorize higher education institutions to operate within the state and provide a meaningful complaint process for students (known as the "State Authorization" rule). Additionally, states are responsible for enforcing their own requirements and protecting students from unfair, deceptive, or abusive business practices. For unaccredited institutions, states also serve as the accreditor.

Unlike other states, which have a single higher education agency, California relies on the governing bodies of the California Community Colleges, California State University, and

University of California to regulate public colleges and universities, and the BPPE to oversee private colleges and universities. Approximately 500,000 students attend nearly 900 institutions approved to operate by the Bureau.

History and Function of the Bureau. Before 1990, private higher education institutions were regulated by the Private Postsecondary Education Division of the California Department of Education, but by the late 1980s, California developed a reputation as the "diploma mill capital of the world." After numerous legislative attempts to remedy the laws and structure governing the regulation of private postsecondary institutions, AB 48 (Portantino), Chapter 310, Statutes of 2009, was enacted to establish the Bureau and California Private Postsecondary Education Act of 2009 (Act), which took effect January 1, 2010. The Act provided the regulatory framework for oversight of private postsecondary educational institutions operating with a physical presence in California. A complete history of the Bureau can be found on pages 1-6 of the BPPE Joint Sunset review background paper.

Today, the Act directs the Bureau to do the following:

- Create a structure that provides an appropriate level of oversight, including approval of private postsecondary educational institutions and programs.
- Establish minimum operating standards for California private postsecondary educational institutions to ensure quality education for students.
- Provide consumers with a meaningful opportunity to have complaints resolved.
- Support past, current, and prospective students in making informed decisions about college enrollment, including facilitating access to financial relief when students suffer economic loss.
- Ensure that private postsecondary educational institutions offer accurate information to prospective students on institutional and student performance.
- Create opportunities for stakeholders to have a voice and be heard in the operations of and rulemaking process by the Bureau.
- Proactively combat unlicensed institutions.

The Bureau's current mission statement, as stated in its 2022-2026 Strategic Plan, is as follows:

The Bureau protects students and consumers in California and beyond through the oversight of California's private postsecondary educational institutions by conducting qualitative reviews of educational programs and operating standards, proactively combating unlicensed activity, impartially resolving student and consumer complaints, and providing support and financial relief to harmed students.

The Bureau is advised by a 12-member advisory committee comprised of institutional representatives, former students, consumer advocates, and members of the public. The Breau is a voting member of the National Association of State Administrators and Supervisors of Private Schools. The Bureau is authorized for 111 positions. Regulatory and licensing fees are intended to fully fund the Bureau's operations. The Bureau recommends increasing most statutorily established fee levels to avoid becoming insolvent in FY 2027-28.

The Bureau's approval to operate is required for "private postsecondary educational institutions," defined as private entities with a physical presence in California that offer postsecondary

education to the public for an institutional charge.[1] Additionally, both non-profit and for-profit postsecondary schools based in another state or country that have a physical presence in California must obtain an approval to operate. Out-of-state *public* institutions of higher education with a physical presence in California *may* obtain an approval to operate from the Bureau to satisfy federal State Authorization requirements for participation in federal financial aid programs.[2] The Bureau grants two types of approvals: approval to operate (informally referred to as "full" approval) and approval by means of accreditation. Unaccredited institutions must apply for full approval, but accredited institutions may choose between full approval and streamlined approval based on their accreditation. The Bureau reports there are 1,536 approved schools throughout California, including 885 main locations, 299 branch locations, and 352 satellite locations.

The following postsecondary institutions are exempt from the Bureau's oversight:

- Purely avocational or recreational schools.
- Schools sponsored and operating for a bona fide trade, business, professional, or fraternal organization.
- Federal- or state-operated institutions.
- Schools offering test preparation to a postsecondary educational institution, or continuing education or license examination preparation, if the institution is approved, certified, or sponsored by a licensing entity or a bona fide trade, business, or professional organization.
- Nonprofit religious schools that do not offer secular degrees.
- Schools charging less than $2,500 for educational programs and not offering degrees.
- Law schools accredited or approved by the American Bar Association or the Committee of Bar Examiners of the California State Bar.
- Accredited nonprofit workforce development and rehabilitation services.
- Colleges and universities accredited by the Western Association of Schools and Colleges (WASC).
- Flight instruction schools that do not require prepayment of more than $2,500.
- An institution owned by a nonprofit community-based organization that does not award degrees and does not offer educational programs designed to lead to licensure, and that would not have been subject to oversight if it did not receive funding under the federal Workforce Innovation and Opportunity Act.

WASC-accredited schools that are exempt from the Bureau's oversight may enter a State Authorization Contract for Review of Complaints, which allows the Bureau to accept, review, and mediate complaints from students or the public on behalf of the institution.[3]

Pursuant to EDC § 94801.5, out-of-state private for-profit schools that do not have a physical presence in California but enroll California students in online programs are required to register

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[1] Educ. Code § 94886
[2] Educ. Code § 94949.8
[3] Federal law requires schools to be authorized by each state in which they offer education and have a meaningful complaint procedure to be eligible for federal financial aid.

with the Bureau.[4] [5] The Bureau reports that 138 out-of-state schools have registered with the Bureau.

The Bureau is charged with enforcing the Act. The Bureau investigates complaints and conducts compliance inspections. When the Bureau determines that an institution has violated the Act, the Bureau is authorized to take enforcement action ranging from a citation and fine to formal discipline (e.g., license probation or revocation).

The OSAR within the Bureau is charged with advancing and promoting the rights of prospective, current, and past students of private postsecondary institutions. The OSAR administers the STRF, established in 1978 to relieve or mitigate economic losses suffered by a California student who prepaid tuition to an approved institution, and it continues to provide financial relief to students today. Every student pays into STRF at a rate determined by the Bureau. STRF assessments are collected by institutions and remitted to the Bureau. The Bureau is required to pause STRF assessments when the STRF reaches $25 million and resume assessments when the STRF falls below $20 million. Assessments are currently paused.

SUNSET ISSUES FOR CONSIDERATION

In preparation for the sunset hearings, committee staff publish background papers that identify outstanding issues related to the entity being reviewed. All background papers are available on the committee's website: https://abp.assembly.ca.gov/hearings/joint-sunset-review-oversight-hearings. While all of the issues discussed in the background papers remain available for discussion, the following issues are those addressed in this bill:

1) *Sunset Issue #2: Reporting Requirements.* EDC § 94941(d) requires the Bureau to publish an annual report with enforcement data, including the number of temporary restraining orders, interim suspension orders, and disciplinary actions taken by the Bureau, disaggregated by priority. The Bureau reports that this is not an exhaustive list of its enforcement actions. In addition, enforcement action is determined by violations, which may span several sections of law and tie back to different prioritization categories. Consequently, the Bureau shares that "disaggregating actions by priority does not accurately reflect the Bureau's enforcement actions and imposes a reporting burden that does not meaningfully enhance public understanding."[6] The Bureau recommends removing this reporting requirement and reports that enforcement data would remain available in the DCAs' annual report, on its website, and at advisory committee meetings.

   Additionally, EDC § 94948 requires the Director of the DCA to provide written updates to the Legislature every six months. According to the Bureau, this requirement dates back to 2014, when the Bureau was not meeting its statutory mandates. Given the Bureau's recent performance and transparency, the Bureau requests that the reporting frequency be reduced from every six months to every 12 months.

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[4] Educ. Code § 94801.5
[5] The Bureau provides no oversight for schools located outside of the country and enrolling California students online.
[6] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 94.

Staff Recommendation in the Background Paper: The Committees may wish to amend the Act to reflect the Bureau's improvements by decreasing the frequency of mandatory reporting to the Legislature.

BPPE Response: The Bureau appreciates the endorsement of decreasing current reporting mandates, facilitating maximum focus on its licensing, enforcement, and student-focused work without compromising transparency and accountability.

Committee Recommendation: This bill makes the biannual reporting requirement an annual one.

2) *Sunset Issue #6. Accrediting Agency Documents.* The Bureau is currently authorized to obtain any documents or other material concerning an approved institution maintained by the institution's accrediting agency, but this authorization does not extend to schools pursuing accreditation. The Bureau reports that access to accrediting agency documents would allow the Bureau to better track the school's progress toward accreditation, and requests that it be given express authority to access that information from an accrediting agency under EDC §§ 94944.5 and 94944.6.

   Staff Recommendation in the Background Paper: The Committees should ensure the Bureau has access to documentation relevant to an institution's accreditation pursuit.

   BPPE Response: The Bureau thanks the Committees for their recommendation to strengthen the Bureau's consumer protection through better accreditor transparency throughout the licensing lifecycle. Allowing access to these documents for institutions seeking accreditation will enable the Bureau to better track accreditation progress and improve its licensing and monitoring efforts for those institutions.

   Committee Recommendation: This bill authorizes the Bureau to review documents from an accrediting agency pertaining to an institution that is pursuing accreditation by that agency.

3) *Sunset Issue #7. Visit Committee Reviews of Degree-Granting Institutions Not Yet Accredited.* Degree-granting institutions must be accredited or in the process of becoming accredited by an accrediting agency recognized by the USED.[7] The Bureau provisionally approves unaccredited institutions offering degrees and is charged with monitoring their progress towards accreditation. That entails assembling a visiting committee to review the institution's application for approval and accreditation plan within two years of being provisionally approved, and to advise the Bureau on an institution's ability to obtain accreditation. According to the Bureau, this requirement can be unnecessary for institutions that are further along in the accreditation process. Additionally, the Bureau reports that it may be valuable for a visiting committee to connect with an institution after the two-year mark. As such, the Bureau recommends amending EDC § 94885.5(b)(2) to allow (not mandate) a visiting committee review within the first four years of an institution's provisional approval to operate degree programs. Additionally, the Bureau wishes to amend that code section further to allow a visiting committee to review related documents or materials as determined by the visiting committee.

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[7] Educ. Code § 94885(b)

Staff Recommendation in the Background Paper: The Bureau shall provide examples of when a visiting committee was unnecessary, and the two-year threshold was too limiting. Additionally, the Bureau shall report the frequency of these outcomes.

BPPE Response: Since the Bureau has been tasked with monitoring the accreditation progress of degree-granting institutions, Visiting Committee Reports (VCRs) have been a standard component of this process. At the time when these requirements were instituted in 2015, they primarily applied to pre-existing institutions that were established, equipped, and expected to take immediate action toward securing accreditation. However, a decade later, the set of institutions to which these requirements apply has changed, necessitating evolution of the requirements.

The Bureau has recommended two changes in this area: to expand the timeframe for visiting committees to take place, and to make them optional at the Bureau's discretion. More detail on each recommendation is below. Expanding the VCR timeline will allow the Bureau to conduct more meaningful evaluations, support institutions more effectively, and ensure that oversight practices align with the realities of accreditation eligibility and process. Additionally, providing the Bureau with greater discretion to determine when a VCR is warranted will help avoid unnecessary reviews for institutions making appropriate progress, while still enabling timely intervention for those at risk of noncompliance.

Expansion of timeframe: Minimum eligibility requirements for many accreditors necessitate that an institution be sufficiently established before applying. These requirements commonly include, but are not limited to, operating for a minimum of one to two years, graduating students from at least one degree program, collecting and reporting enrollment trends and demographic data, and meeting commission review deadlines. Many provisionally approved institutions are newly formed entities without any operational history, making them unable to pursue accreditation for several years after commencing operations.

The intent of the VCR is to evaluate whether an institution is positioned to meet both pre-accreditation/candidacy and full accreditation benchmarks, but the likelihood of future success cannot be determined when only introductory steps have been completed. Between January 2021 and January 2026, approximately 30 percent of institutions pursuing accreditation were ineligible to take substantive steps toward accreditation during the required VCR period because their programs had not been operational for a long enough period of time, resulting in VCRs that contained overly broad or generic comments.

Expanding the Bureau's VCR timeline, as needed, from two years to four years would provide institutions with sufficient time to undertake tangible actions and achieve significant milestones in the accreditation process.

Making VCRs optional: The Bureau conducts substantial routine monitoring of all institutions offering provisionally approved degree programs, with Visiting Committee reviews just one component of that process. Within the standard timeframes allowed for accreditation pursuit, Bureau correspondence is sent at 12, 18, 36, and 54 months, supplemented by periodic informal emails and calls. These check-ins request updates on progress since initial degree approval and since the previous reporting period. They also provide institutions with an opportunity to disclose any change in accreditor or decisions to discontinue pursuing accreditation. This information enables the Bureau to actively guide

institutions, facilitate extension requests when needed, or initiate the surrender of degree programs.

For institutions progressing towards accreditation as expected, convening a visiting committee may be redundant with existing efforts, because the institutions are on track and not in need of additional guidance or support. Approximately 20 percent of institutions pursuing accreditation between January 2021 and January 2026 fell into this category. Conversely, a VCR remains a valuable tool in cases where progress is not sufficient, and particularly when suspension of a degree program is warranted. A review by Bureau staff, supported by an accreditation subject matter expert, can further substantiate the need for such action.

Committee Recommendation: This bill grants the Board discretion to assemble a visiting committee within four years of an institution's provisional approval to operate degree programs.

4) *Sunset Issue #8. Scope of Institutional Accreditation.* Pursuant to EDC § 94890, an institution that is accredited by an accrediting agency recognized by the USED may obtain an approval to operate from the Bureau by means of accreditation. Approval by means of accreditation is a streamlined pathway to approval that minimizes duplicative review by the accrediting agency and the Bureau. The Bureau reports that an existing loophole in statute allows institutions approved by means of accreditation to offer programs that have not been reviewed and approved by the accrediting agency. For example, an institution accredited based on its vocational nursing programs could offer medical assisting programs without approval from its accrediting agency or the Bureau. The Bureau suggests amending EDC § 94890 to specify that its approval does not extend to programs that have not been approved by the institution's accreditor unless the accreditor provides its express written consent.

   Additionally, EDC § 94885 requires an institution's accreditation to cover at least one—but not all—degree programs offered by that institution. Per the Bureau, "It is essential for consumer protection that if a student is enrolled in a degree program, the program is accredited, either via programmatic accreditation or institutional accreditation."[8] Therefore, the Bureau proposes to require accreditation for all degree programs offered by a school.

   Staff Recommendation in the Background Paper: The Bureau should share examples of student harm resulting from this loophole. The Committees may wish to close these loopholes in the interest of consumer protection.

   BPPE Response: The law directs the Bureau to provide a streamlined approval to operate to an institution accredited by an agency recognized by the U.S. Department of Education, with the goal of reducing duplication in review processes. This streamlined process is called "approval by means of accreditation." However, this concept does not hold when accredited institutions seek a Bureau approval that does not align with what its accreditor has reviewed and approved, because it leaves consumers unprotected and provides a false sense of security about what "approval" signifies. The Bureau's goal with these recommendations is to ensure that these programs are subject to oversight and students are protected.

[8] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 69.

The Bureau is happy to provide an example of the challenges faced in this area. In a recent example, an institution approved by means of accreditation was undergoing a review with its accrediting agency, during which the accrediting agency determined that two of an institution's four programs did not meet required standards. The institution had the choice of bringing the programs into compliance or discontinuing the programs, and it chose discontinuation.

Upon receiving notice of the discontinuation from the accreditor, the Bureau reached out to the institution to confirm that the two programs being discontinued would similarly be removed from the approval granted by the Bureau. The institution clarified that it intended to discontinue the programs with the accreditor only. Its intent was for the programs to remain Bureau-approved, while offering them to students as "unaccredited programs."

This is not disallowed under current law. However, it raises significant concerns regarding consumer protection and is at odds with the concept behind approval by means of accreditation. In this instance, the Bureau was aware that the program does not meet accrediting agency standards, and also that the accreditation explicitly disallows the institution from offering the programs, but the Bureau is neither authorized to deny nor review the programs itself.

The Bureau's recommendation would allow it to tie its own approval to that of the accreditors, to ensure that approval by means of accreditation is not used, counterintuitively, as a way to operate unaccredited programs without review.

Committee Recommendation: This bill specifies that a nondegree program not within the scope of accreditation will not be included as an approved program by the Bureau without the express written consent of the institution's accrediting agency and requires all degree-granting programs to be accredited.

5) *Sunset Issue #9: Unaccredited Degree-Granting Institutions.* EDC § 94885(b) requires any institution offering a degree to be accredited by an accrediting agency recognized by the USED, with the scope of that accreditation covering at least one degree program offered by the institution. Alternatively, the institution must have a Bureau-approved plan to become accredited within five years. At a minimum, the plan must include the identification of an accreditation agency recognized by the USED, an outline of the process by which the institution will achieve accreditation candidacy or pre-accreditation within two years, and full accreditation within five years. Provided the institution's application and accreditation plan are approved by the Bureau, the institution's degree program will be provisionally approved while the institution seeks accreditation. However, the Bureau reports that historically, only 40 percent of institutions with provisionally approved degree programs achieved accreditation. The other 60 percent of institutions voluntarily surrendered their approval to operate, had their degree programs suspended by the Bureau, began operating as exempt institutions, or closed.

   Students who enroll in unaccredited degree programs have less certainty that their investment will be worthwhile. Moreover, students enrolled in provisionally approved degree programs are in an especially precarious situation if their program is suspended or surrendered. According to the Bureau, teach-out or transfer options may not be available because many institutions will not accept degree-level credits from unaccredited institutions. The Bureau has identified two scenarios in which students are especially vulnerable. First, there is

nothing preventing an institution from immediately reapplying for provisional approval after its degree programs are suspended or surrendered due to an inability to obtain accreditation within five years. As such, the Bureau recommends the Legislature establish a two-year waiting period, thereby closing a loophole that allows schools to skirt accreditation by repeatedly applying for provisional approval. Second, the Bureau reports that international students account for the majority of students enrolled in some provisionally approved degree programs. International students are particularly vulnerable and may be deterred from raising concerns because their residency status is contingent on enrollment. Therefore, the Bureau proposes a 25 percent enrollment cap for international students in provisionally approved degree programs.

Staff Recommendation in the Background Paper: The Committees may wish to establish a waiting period before institutions can reapply for provisional approval and cap enrollment for international students in provisionally approved degree programs.

BPPE Response: The Bureau thanks the Committees for their consideration of these recommendations, both of which would enhance consumer protections by ensuring that students are not adversely affected by institutions that are cycling through accreditors to maintain provisional approval without ever obtaining full accreditation.

Committee Recommendation: This bill establishes a two-year waiting period before institutions can reapply for provisional approval and limits enrollment of international students in provisionally approved degree programs at 25 percent.

6) *Sunset Issue #10. Exemption Categories.* According to the Bureau, the following exemptions could be tightened to improve its oversight and consumer protection:

a) EDC § 94874(b)(1) exempts from the Bureau's oversight schools offering educational programs to members of a bona fide trade, business, professional, or fraternal organization that sponsors the educational programs, but the terms "bona fide" and "sponsors" are not defined. According to the Bureau, many schools that have claimed this exemption "are akin to what *USA Today* has termed 'zombie colleges' for their tendency to impersonate shuttered institutions while having no students or faculty to speak of."[9] The Bureau recommends limiting this exemption to schools offering non-degree educational programs, because most entities claiming the exemption imply that they offer advanced degrees.

b) EDC § 94874(e) exempts institutions owned, controlled, and operated and maintained by a religious organization that do not offer secular degrees. The Bureau reports that entities have been stretching the exemption's intent by offering degrees in "Biblical Accounting" or "Artificial Intelligence Data Security and the Bible."[10] The Bureau recommends clarifying in statute that the use of religious terminology in a degree title is insufficient for an exemption.

c) EDC § 94874(f) exempts institutions whose educational programs cost less than $2,500 and are ineligible for state or federal student aid. Still, according to the Bureau, "certain

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[9] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 76.
[10] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 76.

words within this exemption challenge the Bureau's ability to enforce it meaningfully."[11] For example, "to conclusively show that the institution is ineligible for exemption, the Bureau would need to prove that the institution *provided* education at a cost above $2,500 (beyond having offered it) and that the institution *received* student financial aid (beyond being eligible for it)."[12] The Bureau wishes to clarify that the exemption does not apply if a school receives financial aid money or participates in state or federal financial aid programs.

d) EDC § 94874(j) exempts flight schools under the complete oversight of the Federal Aviation Administration (FAA) as well as schools that self-certify their compliance with FAA regulations and whose records may only be inspected by the FAA if there is cause. The Bureau recommends narrowing this exemption to only institutions subject to the FAA's full oversight.

Currently, a non-exempt institution operating without the Bureau's approval is subject to a citation.[13] To enhance the Bureau's enforcement efforts, the Bureau proposes amending the law to state that institutions may also be cited for offering or providing unauthorized postsecondary education. The Bureau wishes to amend EDC §§ 94869 and 94886 to specify that operating an institution includes offering postsecondary education to the public.

Staff Recommendation in the Background Paper: The Committees may wish to consider the additional consumer benefits to be gained by narrowing the exemptions as requested by the Bureau.

BPPE Response: As outlined in its sunset report, the Bureau does believe there are loopholes in existing exemption categories. For more on the Bureau's findings and recommendations in this area, please see the Bureau's new issue #13 in its sunset report. Addressing loopholes in exemption categories is a top Bureau priority to minimize student harm, improve clarity, and increase enforcement efficiency. The Bureau looks forward to collaborating with the Committees on this initiative.

Committee Recommendation: This bill clarifies and narrows exemptions as recommended by the Bureau.

7) *Sunset Issue #11. Exemption Verification.* As reported by *USA Today* and *Inside Higher Ed,* there has been a surge in fraudulent college and university websites that attempt to defraud prospective students by asking them to apply, pay fees, and provide personal identifying information.[14] Bolstered by generative artificial intelligence, these counterfeit websites advertise fake schools or schools that have closed.[15] According to the Bureau, some operators of these websites have been abusing the Bureau's exemption verification.

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[11] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 78.
[12] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 76-77.
[13] Educ. Code § 94944
[14] Chris Quintana, *Zombie Colleges? These Universities Are Living Another Life Online, and No One Can Say Why*, USA TODAY (May 9, 2024).
[15] Josh Moody and Kathryn Palmer, *Inside a Network of Fake College Websites*, INSIDE HIGHER ED (Aug. 14, 2025).

EDC § 94874.7 requires the Bureau to establish a process for verifying an institution's exempt status. Verification is voluntary and requires submitting an application and paying a $250 application fee. According to the Bureau, operators of "zombie universities" have applied for verification of their exempt status and used Bureau documents to indicate to consumers that their programs are of good quality and/or low risk. According to the Bureau, these entities' websites consist "nearly exclusively of stock photos and generic statements," and are missing key information such as a course schedule or catalog, admissions deadlines or policies, or program offerings.[16] The Bureau reports that determining whether these entities are legitimate or illicit goes beyond the scope of exemption verification and that the Bureau would need to charge significantly more to conduct a more rigorous review and to cover the costs of legal representation in enforcement proceedings.

The Bureau wishes for the law to reflect that the process is entirely voluntary and does not confer privileges or rights, so the determination should not be subject to appeal. Specifically, the Bureau requests authorization to deny verification of an exemption or to determine that the Bureau is unable to verify an exemption. The Bureau further suggests that the law be amended to prohibit the Bureau from verifying an exemption for an institution that previously had approval to operate and has outstanding citations, fines, or discipline. According to the Bureau, this change would "prevent non-compliant entities from continuing operations under the appearance of an exemption."[17]

Staff Recommendation in the Background Paper: The Bureau should provide examples of this deceitful activity, and the Committees should consider whether the proposed changes are sufficient to provide meaningful consumer protection.

BPPE Response: The Bureau welcomes the opportunity to provide examples of the types of concerns it has seen in the verification of exemption for questionable institutions. The table below lists commonalities amongst the questionable applications alongside illustrations of the concern. The table additionally provides an example of the challenge in determining what constitutes a "bona fide" organization, and what it means to "sponsor" educational programs, as EDC section 94874(b)(1) pertains to institutions "offering educational programs to members of a bona fide trade, business, professional, or fraternal organization that is separate and distinct from the institution and that sponsors the educational programs."

Additional commonalities not illustrated below (due to challenges with retaining anonymity) include:

- Faculty or core administrators are listed as being heavily involved with three or more exempt institutions (e.g., the same individual is listed as Chief Academic Officer);
- Institution names that connote prestige and emphasize a California location, generally using the name of the state or prominent locations within it; and
- Questionable main campus locations, such as a P.O. Box or shared workspaces.

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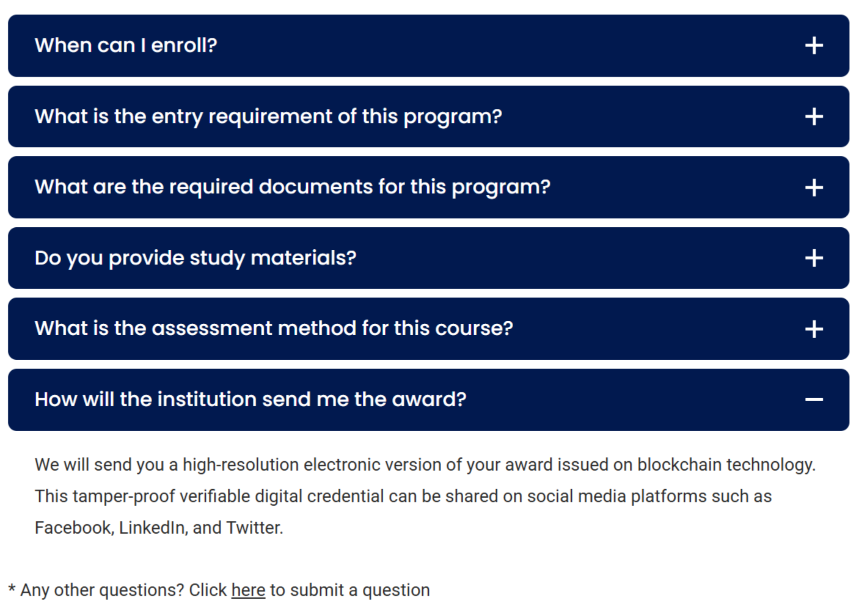
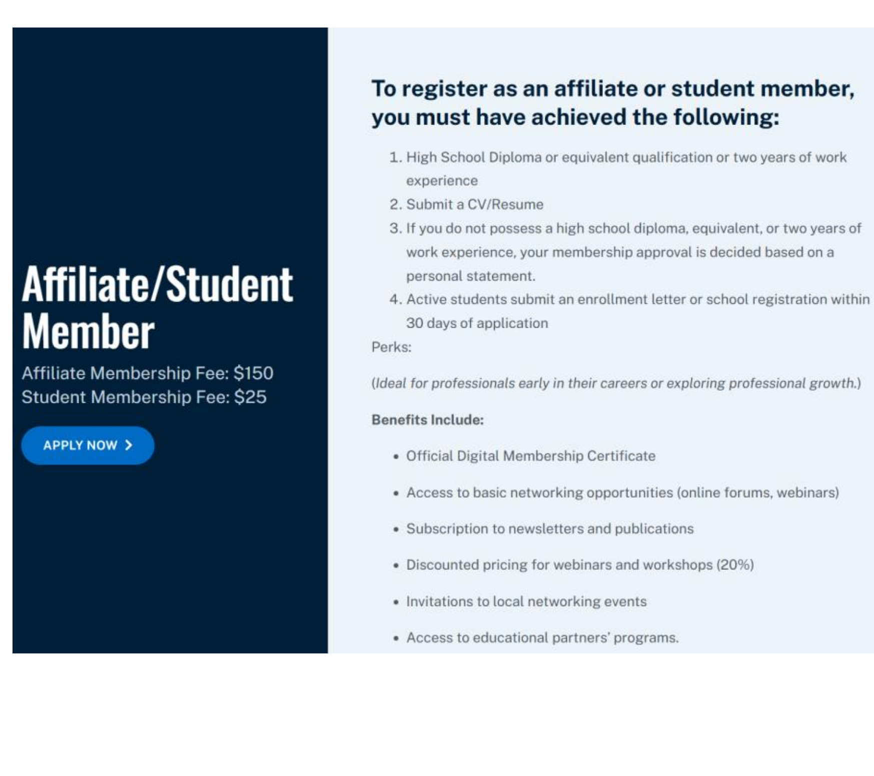
[16] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 75.
[17] Ibid.

Commonalities Across Problematic Verification of Exemption Applications	
Concern	***Example***
Repeated references to exemption from Bureau approval requirements, often implying that exemption is related to quality program offerings. In this case, the institution's homepage references exemption three times and there is no mention of the institution's programmatic focus.	HOME ABOUT PROGRAMS NEWS & EVENTS CONTACT APPLICATION An exempt institution sponsored by a professional organization For professionals by professionals, that's We connect you with global industry leaders to broaden your horizons for a better workplace and career experience. We're exempted by the Bureau for Private Postsecondary Education (BPPE), California State, US is exempted by BPPE to offer educational programs solely for the membership of a bona fide trade, business, professional, or fraternal organization. has met the qualifications for exemption from regulation under the Act.
Statements that are at odds with how institutions typically operate (e.g., no timelines for admissions or course starts). As seen here, typos are not uncommon.	– When can I start? Registration is always open, with rolling admissions and no application seaons. For information on how to enroll and begin your learning journey, please contact admissions at

Lists of affiliations with "accrediting agencies" designed to suggest the educational offerings have been deemed high-quality by trusted sources. In this sample, none of the entities listed are recognized by the U.S. Department of Education or the Council for Higher Education Accreditation (CHEA).	**Accreditation** **Accreditation Service for International Schools, Colleges & Universities (ASIC)** **What is ASIC Accreditation?** **What are the benefits of Studying at an ASIC UK Accredited Institution?** [redacted] holds International Accreditation from ASIC (Accreditation Service for International Schools, Colleges, and Universities). ASIC Accreditation is a leading, globally recognised quality standard in international education. Institutions undergo an impartial and independent external assessment process to confirm their provision meets rigorous internationally accepted standards, covering the whole spectrum of its administration, governance, and educational offering. Achieving ASIC Accreditation demonstrates to students and stakeholders that an institution is a high-quality education provider that delivers safe and rewarding educational experiences and is committed to continuous improvement throughout its operation. View Certificate **International Organisation Committed to Advancing E-Learning** **What is ELQN Accreditation?** ELQN Accreditation, awarded by the E-Learning Quality Network, signifies that an institution meets rigorous standards in e-learning and digital education. This recognition ensures the quality of online learning programs, effective management, and advanced technological integration, demonstrating a commitment to excellence in providing innovative and high-quality e-learning experiences. View Certificate **International Association for Quality Assurance in Pre-Tertiary and Higher Education (QAHE)** **What is QAHE Accreditation?** **What are the benefits of Studying at QAHE Accredited Institution?** International Association for Quality Assurance in Pre-Tertiary and Higher Education (QAHE), registered in Delaware USA, is an independent, private, and international organization. QAHE is an expert in recognizing higher education institutions for research performances, student services and quality of teaching to value the confidence of the public along with supporting the development of quality assurance systems worldwide. View Certificate

Negligible admissions requirements and inconsistent statements across the website. In this case, the website FAQ shows admissions criteria for three degree levels as well as “microcredentials.” However, the website’s list of programs does not include doctoral degrees or microcredentials.	– What are the admission requirements? Bachelor’s Degree: An official high school transcript or diploma. Master’s Degree: An official bachelor’s degree transcript or diploma. Doctoral Degree: An official master’s degree transcript or diploma. Microcredentials: A valid official identification card. On a case by case basis, we may accept work experience in lieu of qualificaitions.
Indications that the entity provides diplomas for show, with little education provided or student engagement expected. In this example, the institution’s brief FAQ focuses on how credentials can be easily shared on social media.	Frequently Asked Questions (FAQ) 

Questionable "sponsor" organizations and relationships (for exemptions pursuant to EDC section 94874(b)(1)). This screenshot is of an organization, not an institution seeking exemption, for which nearly anyone can become a member. This organization "sponsors" several exempt institutions, including some founded by the person who established sponsoring organization.	

Committee Recommendation: This bill authorizes the Bureau to deny verification of an exemption or determine that it is unable to verify an exemption, prohibits the Bureau from verifying an exemption if the institution had a previous approval to operate and has an outstanding disciplinary action, and clarifies that the Bureau's decision is not subject to appeal.

8) *Sunset Issue #13. Definition of "Substantive Change."* Approved schools are required to obtain Bureau approval before making substantive changes to their operations as specified in EDC § 94894. Currently, the addition of a separate branch more than five miles from the main or branch campus is considered a substantive change. According to the Bureau, the current language undermines its oversight authority to ensure that institutions' facilities are adequate by exempting branches located within five miles of the main or branch campus. Therefore, the Bureau suggests eliminating that carveout.

Staff Recommendation in the Background Paper: The Committee may wish to require institutions to obtain the Bureau's approval before opening a new branch, regardless of its distance from a main or branch campus.

BPPE Response: Ensuring that any institution's new locations comply with Bureau regulations, regardless of their distance from a main or branch location, strengthens the Bureau's oversight authority and enhances its ability to protect California consumers. The Bureau appreciates the Committee's support on this issue.

Committee Recommendation: This bill requires institutions to obtain the Bureau's approval prior to opening a new branch any distance from a main or branch campus.

9) *Sunset Issue #15. Out-of-State Registered Institutions.* Out-of-state private for-profit institutions enrolling California students in online education programs must register with the Bureau.[18] Registered institutions are required to notify the Bureau when any of the following occur: the institution's authorization or approval is revoked, suspended, or subject to enforcement action; a controlling officer is subject to enforcement action; the institution is on probation by its accreditor or its accreditation has been revoked or suspended; or the institution settles or is adjudged to have liability for various civil complaints.

   Specifically, EDC § 94801.5(b)(1) requires the Bureau, within 30 days of receiving a notice, to request that the school explain why it should be permitted to enroll California residents. Then, after reviewing the information provided and consulting with the AG, the Bureau must issue a written finding that there is no immediate risk to California residents. The law expressly authorizes the institution, pending completion of a review by the Bureau, to continue enrolling new students, unless the Bureau, at its discretion, elects to limit enrollment. The Bureau reports that this language undercuts its oversight authority in several ways. First, the Bureau is required to consult with the AG before taking enforcement action, but is unable to do so because the AG represents the Bureau in legal matters, creating a conflict. Additionally, the law is so specific that it creates an "unnecessary burden" for the Bureau and institutions to comply.[19] Moreover, according to the Bureau, issuing a written finding that there is no immediate risk to California residents is not only false because it cannot guarantee that there is no risk, but it may also undermine investigations and legal matters conducted by other entities. Lastly, the Bureau is required to investigate complaints from California residents attending registered institutions, but it has no enforcement authority over registered institutions regarding such complaints. The Bureau proposes repealing the current requirements and requests authorization to request any information staff deem necessary to determine whether the institution's registration should be rescinded or placed under conditions.

   In its 2024 Bureau funding study, the FoundationCCC stated that the Bureau has little authority to monitor or act against registered institutions for inappropriate activity or against unregistered institutions that unlawfully enroll California students in online programs. The FoundationCCC concluded that "Lack of authority in this area is a significant limitation to BPPE's ability to enforce California law."[20] Consequently, the FoundationCCC alleges that institutions are incentivized to close their in-person facilities and offer their programs entirely online. Whereas the Bureau may fine in-state institutions operating without the Bureau's approval up to $100,000, the Bureau does not have the authority to pursue unregistered institutions doing business in California.

   Staff Recommendation in the Background Paper: The Committees may wish to revise the existing requirements for the Bureau's handling of a notice received pursuant to EDC § 94801.5(b)(1) as requested by the Bureau. The Bureau should provide an estimate of the

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[18] EDC § 94801.5
[19] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 80.
[20] Foundation for California Community Colleges, *Bureau for Private Postsecondary Education Funding Study* (Jan. 2024), at 25-26.

number of unregistered institutions enrolling California students and identify barriers to enforcement.

BPPE Response: The Bureau appreciates the Committees' consideration of its proposal for EDC section 94801.5(b)(1).

With respect to unregistered institutions enrolling California students, there are several challenges in enforcing registration requirements. Identifying these schools is the first obstacle: many use shifting brand names, third-party marketing services, or frequently changing websites, making it difficult to determine how many are operating. The Bureau has received 52 complaints about such institutions in the past 3.5 years.

Additional enforcement challenges include:

- Most unlicensed activity investigations require site visits, which are generally impractical for institutions outside California, making violations costly and difficult to document.
- Many providers suspected to be enrolling California students are unregistered with the Secretary of State as an out-of-state corporation, meaning that these providers are difficult to locate and to serve with citations or other disciplinary matters.
- Legal action may need to go through the institution's home state, rather than California, adding complexity and cost.

While these constraints are not easily solved, there are some statutory changes that would support the Bureau in taking action against unregistered providers in cases where action is determined to be both warranted and feasible:

1. Clarifying in EDC section 94886 that out-of-state institutions must register before enrolling California students online, and by clarifying in EDC section 94944 that unlicensed activity fines apply equally to institutions that fail to register when required.
2. Addressing the language discrepancy outlined in Issue #11 of the Committee Background Paper, between "offer" and "provide," to support the Bureau's ability to effectively address unlicensed activity generally.
3. Aligning exemptions for out-of-state institutions with those applied to in-state schools would promote consistency and reduce industry confusion about the types of institutions that must register with the Bureau.

Committee Recommendation: This bill repeals the existing requirements and authorizes the Bureau to request, and requires registered institutions to provide, information the Bureau deems necessary to determine whether the institution's registration should be revoked or be subjected to conditions.

10) *Sunset Issue #18. Institution Application Information Verification and Minimum Operating Standards.* The Bureau reports that an existing requirement to independently verify application information to determine whether a school has the capacity to meet minimum

operating standards is both unworkable and disadvantageous from an enforcement perspective. First, the Bureau cannot verify all the information in an application, and existing law is unclear about the extent to which Bureau staff must verify the information provided. Second, the Bureau fears that institutions may challenge enforcement actions using the Bureau's independent verification and approval as a defense. The Bureau posits the following as an example: "If an institution submits a catalog that fails to include refund policies as required by law, it may argue that it cannot be subsequently disciplined for this violation because it relied on the Bureau's independent verification of its catalog."[21] According to the Bureau, it is unable to verify the volume and types of information included in an application for approval to operate. The Bureau proposes amending EDC § 94887 to repeal the requirement that it independently verify the information provided by the applicant.

Moreover, current law requires applicants to "have the capacity to satisfy the minimum operating standards."[22] According to the Bureau, the following example demonstrates why the current language is problematic: "Consider an institution with financial resources but no faculty of administrators in key roles. Such an institution could meet faculty and administration standards, but they do not." The Bureau proposes amending EDC § 94891 to require applicants to satisfy the minimum operating standards, rather than demonstrate they have the capacity to do so.

Staff Recommendation in the Background Paper: The Committees may wish to strengthen the Bureau's enforcement authority by amending EDC §§ 95887 and 94891 as proposed by the Bureau.

BPPE Response: The Bureau appreciates the Committees' support in strengthening its enforcement authority through the recommended amendments, by eliminating impracticable review standards and focusing its application reviews.

Committee Recommendation: This bill repeals the requirement that the Bureau independently verify application information and requires institutions to satisfy the minimum operating standards.

11) *Sunset Issue #20. Recordkeeping Exemption for Accredited Institutions.* Existing law requires approved institutions to maintain certain records, which are critical to the Bureau's oversight function (e.g., to verify compliance and investigate complaints). However, EDC § 94900.7 exempts accredited institutions from the recordkeeping requirements if their accrediting agency's own recordkeeping requirements are substantially similar to the Bureau's. The Bureau reports that this exemption has caused confusion and proposes to delete it. According to the Bureau, an accredited institution does not need an exemption if its accrediting agency's requirements are substantially similar because the institution would already comply.

Staff Recommendation in the Background Paper: The Bureau should explain why the exemption has caused confusion and identify new reporting that accredited institutions would need to do if the exemption is repealed.

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[21] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 65.
[22] Educ. Code § 94887

BPPE Response: Records maintenance is not simply about paperwork; it is fundamental to the Bureau's ability to determine whether institutions have or have not complied with critical consumer protection requirements in the law. Failure to maintain proper records may subject an institution to discipline, typically citation, but it may also shield the institution from stronger discipline if it effectively hides noncompliance of more serious violations. For example, if an institution does not maintain proper records of refunds they have provided to students, the Bureau cannot prove that the institution failed to provide refunds.

Institutions' failure to maintain required documentation is a common cause of discipline for Bureau-approved institutions. Upon appeal, some of these institutions argue that, as accredited institutions, only their accrediting agencies' retention policies apply. This is a misreading of the law, and the confusion poses substantial challenges to the Bureau's ability to determine whether student harm has occurred. Repealing the exemption would reduce the cause for confusion.

No new reporting would be required, because this is an existing requirement. The provision exempting accredited institutions from recordkeeping requirements only applies in cases where "the recordkeeping requirements of the accrediting organization are substantially similar to the recordkeeping requirements of this article, as determined by the bureau." The Bureau has never made such a determination, and so the exemption has no effect. Further, to explore this issue more deeply, the Bureau met separately with six accrediting agencies that accredit the majority of institutions approved by means of accreditation. To the extent that the agencies had recordkeeping policies, none were similar to those of the Bureau, and all agencies reported general deference to Bureau recordkeeping rules to simplify compliance for institutions.

Committee Recommendation: This bill repeals the exemption, thereby subjecting all institutions to the same reporting requirements.

12) *Sunset Issue #22. Student Handbooks and Other Student-Facing Materials.* EDC § 94909 and EDC § 94913 require institutions to provide prospective students with school catalogs and student brochures prior to enrollment. However, the Bureau reports that institutions have been using alternative documents (e.g., handbooks) to convey pertinent information. For example, the Bureau notes that attendance policies disclosed in school catalogs, as required by law, may be further elaborated in a student handbook. To ensure that students receive all the necessary information prior to signing an enrollment agreement, the Bureau proposes expanding the law to require handbooks and other student-facing materials to be provided to students before enrollment.

Staff Recommendation in the Background Paper: The Committees may wish to amend the law as necessary to ensure prospective students have adequate information to make informed enrollment decisions.

BPPE Response: Ensuring that current and prospective students have access to all materials needed to fully understand their programs and institutional policies is core to the Bureau's mission of consumer protection. The Bureau thanks the Committees for their commitment to transparency and ensuring consumers can make informed choices about their education.

Committee Recommendation: This bill requires institutions to provide handbooks and other student-facing materials to students before enrollment.

13) *Sunset Issue #23. Purchase-Money Loan Contracts.* The Federal Trade Commission's "Holder Rule" protects students who borrow money to pay for products or services from having to repay the debt if what they bought was fraudulent or defective, even if the debt is transferred or sold to a third party. Specifically, the Holder Rule preserves consumers' right to assert against a subsequent debtholder the same legal claims and defenses the consumer would have against a seller (i.e., institution). The Bureau offers the following example: a defrauded student may have a "claim" to a refund and/or a "defense" against remaining debt. The "defense" portion of the Holder Rule is the basis for the USED's "Borrower Defense" rule and is particularly salient for defrauded students whose need for a "defense" against remaining debt may greatly exceed the dollar value of a "claim" to recover past payments. EDC § 94916 provides a similar protection, but, according to the Bureau, it contains a loophole that may unintentionally limit students' rights under the federal rule."[23] While the federal rule allows for cancellation of the full balance, EDC § 94916 limits recovery to amounts paid. The Bureau recommends closing this loophole. Additionally, to incentivize third-party lenders to protect students' rights under federal and state law, the Bureau proposes prohibiting institutions from accepting payments from third-party lenders whose credit contracts unlawfully omit a required disclosure notifying students of their right to sue for relief.

    Staff Recommendation in the Background Paper: The Committees may wish to amend the Act to more closely align with the federal rule and require institutions to verify that consumer credit contracts disclose students' rights under state and federal law.

    BPPE Response: The Bureau appreciates the Committee's efforts to eliminate a loophole and hold institutions accountable when they accept payments from third-party lenders that lack the necessary notice. By aligning the language in EDC section 94916 with the federal "Holder Rule," the Bureau can more effectively safeguard students against fraudulent or defective educational products.

    Committee Recommendation: This bill closes the loophole and prohibits institutions from accepting payments from third-party lenders who do not notify students of their right to sue for relief.

14) *Sunset Issue #24. Institutional Financial Aid Disclosure.* EDC § 94912.5 requires institutions that participate in federal student financial aid programs to provide students with a form developed by the USED known as the College Financing Plan (formerly Financial Aid Shopping Sheet) to inform students or prospective students about financial aid award packages prior to enrollment. However, there is no requirement to sign or maintain the form, so the Bureau cannot monitor compliance. The Bureau proposes requiring institutions to retain a copy of the document with other required student records or deleting the requirement altogether.

    Staff Recommendation in the Background Paper: The Committees may wish to consider requiring institutions to retain additional documentation for inspection by the Bureau.

    BPPE Response: The Bureau appreciates the Committees' consideration of this issue. As noted in the Bureau's sunset report (new issue #19), the existing disclosure requirement

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[23] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 90.

needs updating in order to be meaningfully monitored by the Bureau. Alternatively, given evolving federal and state policy discussions about how best to convey financial aid award information to students, the existing requirement could be repealed in favor of a different standard.

Committee Recommendation: This bill requires institutions to retain a copy of the College Financing Plan with students' other records.

15) *Sunset Issue #25. Enrollment Agreements.* EDC §§ 94902 and 94911 require schools to provide students with written enrollment agreements that outline program details, performance information, and school policies. The Bureau reports that three omissions undermine student protection and the Bureau's ability to take enforcement action when a violation occurs. First, the enrollment agreements must include an attestation signed by students indicating that they have received and read a School Performance Fact Sheet prior to enrolling—a form that must be initialed by the student and kept on file by the school. The Bureau is concerned that students may sign the attestation in the enrollment agreement without having received a School Performance Fact Sheet, thereby making it more difficult for the Bureau to hold institutions accountable for providing them. Second, enrollment agreements are not required to be dated or include program start dates, making it difficult for the Bureau to determine whether a student has canceled or withdrawn and what type of refund is due. Students are only entitled to a full refund before the first class or within seven days of signing an enrollment agreement. Third, enrollment agreements are not required to specify how instruction will be provided (e.g., in-person, online, hybrid, or another format), undermining the Bureau's ability to enforce the law limiting changes to the method of instructional delivery once students have enrolled. The Bureau recommends removing the School Performance Fact Sheet attestation from future enrollment agreements and requiring that enrollment agreements be dated at the time of signing, specify how instruction will be provided, and include the date classes begin.

    According to the Legal Aid Foundation of Los Angeles, "The vast majority, if not all, of the hundreds of students LAFLA has assisted over the years never read their enrollment agreements. This is not only because the enrollment agreements are lengthy, single-spaced documents full of legalese, but also because Bureau-licensed schools, particularly for-profit schools, rarely give students time to read through the documents before they pressure the students to sign them."[24] As such, the Legal Aid Foundation of Los Angeles proposes amending one of the enrollment agreement statements that students must sign by deleting language asserting that they have read and understand their rights and responsibilities and that the institution's cancellation and refund policies have been clearly explained. The Legal Aid Foundation of Los Angeles believes that "It is sufficient that students certify that they agree to the terms therein."[25]

    Staff Recommendation in the Background Paper: The Committees may wish to address gaps in the information required for enrollment agreements.

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[24] Legal Aid Foundation of Los Angeles, *Letter to Assemblymember Berman regarding the Bureau for Private Postsecondary Education's Recommendation in Sunset Review Report 2026 (AB 2771)* (Mar. 5, 2026), at 7.
[25] Ibid.

BPPE Response: The Bureau appreciates the Committee staff's recommendation and agrees that closing gaps in required enrollment agreement information is essential to strengthening student protections. The proposed amendments to EDC sections 94902 and 94911 directly address these gaps by reinforcing document verification, clarifying delivery formats, and ensuring important dates and signatures are consistently included. These targeted updates modernize enrollment procedures and promote clearer, more transparent disclosures for students.

Committee Recommendation: This bill removes the School Performance Fact Sheet attestation from future enrollment agreements and requires that enrollment agreements be dated at the time of signing, specify how instruction will be provided, and include the date classes begin.

16) *Sunset Issue #30. Access to Student Records After Institution Closure.* Institutions are required to store and maintain transcripts permanently, and other pertinent student records for five years, including after a school closure.[26] However, the Bureau reports that students are often unable to access their transcripts after an institution closes. The Bureau may assume student records on behalf of institutions, but it is not a regular occurrence. While the Bureau has the authority to promulgate regulations to collect student records from institutions, it has not yet done so, in part, due to concerns about resources. As such, the Bureau requests that EDC § 94927.5 be amended to require that student records be provided electronically (not hard copies), thereby reducing storage costs and workload. The Bureau also proposes to repeal the requirement that student records be provided "prior to closing," thereby allowing the Bureau to collect student records more frequently if it chooses to do so.[27] Lastly, due to anticipated cost increases associated with student record retention and maintenance, the Bureau suggests charging students a fee, covered by STRF, to access their records.

According to the Legal Aid Foundation of Los Angeles, "students impacted by a school closure are also often unable to access documents that are crucial to obtaining a closed school discharge and/or STRF relief."[28] As such, the Legal Aid Foundation of Los Angeles suggests that institutions should be required to preserve enrollment agreements; attendance, withdrawal, and leave of absence records; and student ledgers that account for payments received from or on behalf of students and how the funds were applied to a student's account, including when they close or are sold to new owners.

Staff Recommendation in the Background Paper: The Bureau should advise the Committees on its efforts to ensure students have access to important records, particularly given the role these records play in providing students with necessary recourse. The Committees may wish to provide the Bureau with the flexibility to obtain student records and to assist students in having greater access to these important materials.

BPPE Response: The Bureau recognizes the critical importance of ensuring student access to academic records after institutional closure. Student records, including transcripts, are essential for employment, licensure, and continued education.

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[26] 5 Cal. Code Regs. § 71930(f)
[27] EDC § 94927.5(a)
[28] Legal Aid Foundation of Los Angeles, *Letter to Assemblymember Berman regarding the Bureau for Private Postsecondary Education's Recommendation in Sunset Review Report 2026 (AB 2771)* (Mar. 5, 2026), at 7.

Current regulations (CCR § 71930(f)) make it clear that the responsibility and cost for maintaining and providing access to student records rest with the institution and its owners, even after closure. Despite this requirement, students often cannot obtain records due to absent or unresponsive Custodians of Records (CORs) or inadequate enforcement mechanisms. As such, the Bureau is considering options for more routinely collecting records in cases where it has historically deferred to institutions, to improve students' prospects for being able to access records when needed.

A recent Bureau review of records-access challenges identified several issues including:

- Institutions failing to maintain an active COR after closure.
- Lack of standardized processes for record transfer and long-term storage.
- Limited tools to enforce compliance after an institution ceases operations.

The Bureau has taken several steps to address concerns about students' access to records after institutional closure in recent years. Key Bureau actions include:

- Promulgating regulations to revise the required closure plan that institutions follow before closure, including providing specific information about a custodian of records, how records are maintained, and other student-level information (effective January 1, 2025).
- Coordinating with the DCA Office of Information Services to digitize transcripts when possible, resulting in the digitization of over 1 million student transcripts.
- Conducting outreach to over 900 active institutions to ensure their custodian of records information is accurate.
- Retrieving physical records for a closed institution in certain instances where records may be at a high risk of loss.
- Processing over 10,000 transcript requests annually from former students, resulting in over 6,000 transcripts provided annually.

At this point, the Bureau is considering whether taking a more active role in the collection of records from institutions, and the provision of records to students, would improve students' access to records. The Bureau's review of other states and institutions operating across multiple jurisdictions indicates that institutions often do not plan for closure, leaving gaps in recordkeeping if records-collection does not take place until the point of closure. Some states maintain records proactively or use third-party repositories, often funded through student fees. The Bureau seeks to avoid charging students and is exploring resource options, including potential use of the Student Tuition Recovery Fund (STRF), to support state-level solutions.

To address remaining gaps, the Bureau recommends statutory flexibility and funding to obtain and maintain student records when institutions are unable or unwilling to do so.

Committee Recommendation: This bill requires student records to be provided to the Bureau electronically and authorizes the Bureau to collect student records pursuant to its regulations rather than only prior to an institution's closure.

17) *Sunset Issue #31. Withholding of Student Records.* EDC § 94897(s) and Civil Code § 1788.93 prohibit schools from refusing, delaying, or inflating the costs of academic transcripts due to students' unpaid debts, but these protections do not extend to other types of student records, such as diplomas, certifications of completion, clinical training documents, or licensing verification forms. For example, the BBC requires applicants to provide a "Proof of Training Document" as evidence of their training. However, under current law, institutions have no legal obligation to provide this form to students and can withhold it as leverage for payment. The Bureau recommends broadening the law to account for these additional types of student records.

    On this issue, the Legal Aid Foundation of Los Angeles is concerned that institutions may withhold similar documents necessary for licensure or certification and recommends amending the law to prohibit an institution from withholding documentation required for any other license or certification.[29]

    Staff Recommendation in the Background Paper: The Bureau should provide the Committees suggested amendments to the Act that would assist students in having greater access to documentation of program completion.

    BPPE Response: The Bureau appreciates Staff's recommendation to provide suggested amendments that would ensure students have greater access to documentation of program completion. In response, the Bureau recommends the following amendments to EDC section 94897(s):

    > 94897. An institution shall not do any of the following:
    >
    > (* * * *)
    >
    > (s) Violate Section 1788.93 of the Civil Code *or withhold any documentation required for licensure, certification, or eligibility to sit for related examinations as a means of collecting a debt or because the student owes a debt.*

    Committee Recommendation: This bill prohibits institutions from withholding Proof of Training documents.

18) *Sunset Issue #32. Student Tuition Recovery Fund Eligibility.* EDC § 94923 details students' eligibility for STRF, but the Bureau believes clarification would improve its ability to administer STRF. First, the Bureau suggests EDC § 94923(a) should be amended to clarify that a student's economic loss must be connected to enrollment but does not have to materialize *during* enrollment. According to the Bureau, economic harm may not appear until after a student's enrollment ends. Second, the Bureau wishes to use federal relief program eligibility as the basis for determining whether a student was harmed by a school closure or

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[29] Legal Aid Foundation of Los Angeles, *Letter to Assemblymember Berman regarding the Bureau for Private Postsecondary Education's Recommendation in Sunset Review Report 2026 (AB 2771)* (Mar. 5, 2026), at 8.

other unlawful activity, thereby streamlining the Bureau's determination process. Third, the Bureau wishes to further streamline STRF eligibility determinations by considering enforcement actions by other governmental entities, such as the AG, the Federal Trade Commission, and the Consumer Financial Protection Bureau, as well as private litigation. The Legal Aid Foundation of Los Angeles suggests expanding the Bureau's proposal to ensure that all types of federal student loan discharges based on institutional misconduct are included as bases for STRF eligibility because students may still be liable for private student loans. Additionally, the Legal Aid Foundation of Los Angeles recommends clarifying that students who were promised loan discharge by the USED, but were unable to obtain those loan discharges, and also eligible for STRF relief.[30] Lastly, the Bureau proposes amending the law to allow attestations from STRF applicants and government agency findings to be used in determining STRF eligibility. According to the Bureau, the intent is to streamline relief and reduce the burden on both applicants and the Bureau. For example, if a student has sufficiently made a case to the USED for student loan relief such that their loans were discharged, the Bureau could use the fact of that discharge as evidence of the problem and would not require the claimant to submit documentation that they had enrolled in the institution in the appropriate timeframe or were impacted by a closure.

Staff Recommendation in the Background Paper: The Committees may wish to amend STRF eligibility requirements to ensure that students who are eligible for federal student loan discharges based on institutional misconduct are also eligible for STRF. Additionally, the Committees may wish to consider how the Bureau's administrative burden in administering the STRF can be reduced by streamlining eligibility determinations.

BPPE Response: The Bureau appreciates the Committees' recommendation and concurs that ensuring students eligible for federal loan discharges based on institutional misconduct are also eligible for STRF would strengthen statutory clarity and student protections. Aligning STRF eligibility with federal determinations would allow the Bureau to rely on well-established findings, reducing duplicative review and easing administrative burden. The Bureau also supports efforts to streamline STRF administration by clarifying evidentiary standards and explicitly permitting the use of other government agencies' oversight and enforcement findings. These improvements would help the Bureau provide timely, consistent relief to students while maintaining necessary flexibility to respond to evolving forms of institutional misconduct.

Committee Recommendation: This bill streamlines and clarifies STRF eligibility determinations as requested by the Bureau.

19) *Sunset Issue #33. Student Tuition Recovery Fund Collection Range.* EDC § 94925 requires the Bureau to pause assessments when the STRF reaches $25 million and to resume STRF assessments when the STRF falls below $20 million. The Bureau reports that "the narrowness of this range creates administrative impossibilities for the Bureau, compliance challenges for approved institutions, and confusion for the students who pay into the fund."[31] Specifically, the $25 million cap does not account for the fact that, during the time it takes the Bureau to administratively modify the STRF assessment rate, STRF assessments are

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[30] Legal Aid Foundation of Los Angeles, *Letter to Assemblymember Berman regarding the Bureau for Private Postsecondary Education's Recommendation in Sunset Review Report 2026 (AB 2771)* (Mar. 5, 2026), at 9-10.
[31] Bureau for Private Postsecondary Education, *Sunset Review Report 2026*, at 92.

collected in unknown amounts, possibly exceeding the $25 million cap. Moreover, the $25 million cap does not consider unpaid liabilities. For example, in October 2023, the STRF balance exceeded $26 million, but $2 million in claims had not yet been paid, and the Bureau anticipated an additional $11 million in claims not yet processed. Due to the cost and workload associated with frequent modifications to STRF assessments, the Bureau wishes for greater flexibility to maintain a STRF fund between $15 million and $25 million, rather than rigid mandates that require the Bureau to pause and resume STRF assessment collection when approaching or exceeding specific thresholds. Additionally, the Bureau recommends clarifying that an otherwise eligible student who enrolled during a period when STRF assessments were paused is eligible for STRF.

Staff Recommendation in the Background Paper: The Committees may wish to allow the Bureau to collect STRF assessments as necessary to maintain the STRF between $15 million and $25 million. Additionally, the Committees should clarify that students need not have paid into STRF to qualify for relief.

BPPE Response: The Bureau appreciates the Committees' support on these issues. These technical changes would allow for smoother administration of the program, stabilize assessments and reduce the frequency of changes in STRF assessments that pose bureaucratic challenges to institutions and Bureau staff.

Committee Recommendation: This bill directs the Bureau to strive to maintain the STRF between $15 million and $25 million.

20) *Sunset Issue #36. Misleading Terminology and Degree Accreditation.* EDC §§ 94885 and 94885.7 use the term "suspended" to describe the status of degree programs that lose accreditation or fail to meet provisional approval requirements. According to the Bureau, this terminology suggests the possibility of reinstatement; however, once a program loses accreditation or fails to meet provisional approval requirements, its accreditation cannot be reinstated without restarting the process. A program suspended for failure to achieve accreditation may not operate and cannot achieve accreditation without operating. Therefore, the Bureau recommends replacing the terms "suspended, "suspending," and "suspension" with "terminated," terminating," and termination," and repealing language that erroneously implies that a suspension may be lifted if an institution complies with specified requirements or has its accreditation reinstated.

Staff Recommendation in the Background Paper: The Committees may wish to clarify the law as proposed by the Bureau.

BPPE Response: The Bureau appreciates the Committee's agreement that the terminology in current law should be amended to more accurately describe the status of programs that lose accreditation or fail to meet provisional approval requirements. As the Bureau outlined in its sunset report, the use of the term "suspended" incorrectly suggests that reinstatement is possible, even though regulatory and accreditation structures make reinstatement unattainable. Clarifying this language, including replacing "suspended" with "terminated," will not only better reflect regulatory realities but also strengthen consumer protection by ensuring students receive clear, accurate information about their educational options.

Committee Recommendation: This bill replaces the term "suspended" with "terminated."

21) *Sunset Issue #38. Continued Regulation by the Bureau*. In 2024, in response to the Bureau's funding challenges, the FoundationCCC was charged with conducting a funding study. The FoundationCCC determined, "there are larger questions about BPPE's structure and placement within government that are worth exploring if California want to maximize its oversight of private postsecondary education."[32] The study's authors noted that "BPPE does not regulate professionals or vocations, rendering the placement of BPPE under DCA a mismatch in this regard."[33] Recognizing how the higher education market has evolved, the study's authors concluded that "the time has come for policymakers to revisit BPPE's mission, function, organizational design, and placement within state government."[34] According to the study, when asked, "the vast majority of parties interviewed for this report agreed that DCA no longer seems to be a good fit to house BPPE," and further suggested that the BPPE would be more appropriately situated in a statewide higher education entity—one that presently does not exist.[35] The FoundationCCC suggests that the Bureau could be made a parallel department within the California Business Consumer Services and Housing Agency, or alternatively, that California establish a cabinet-level Department of Higher Education. According to the FoundationCCC:

> Creating a new Department will better place oversight and accountability for private proprietary schools into the same space where public accredited, nonprofit, and Out-of-State schools are also being examined, while having the added benefit of bringing together career technical education with the private postsecondary vocational and trade institutions that provide further training. This new Department does not need to be limited by these functions only – it could service many of the roles and functions for which California has long been struggling to place.[36]

Irrespective of broader policy questions, the need for an effective state regulator of private postsecondary schools in California is at an all-time high amid diminishing federal oversight. Given that responsibility, it is critically important that the Bureau be properly equipped to achieve its consumer protection mission. While the Bureau has made great strides to improve its effectiveness, this sunset review identifies additional opportunities to enhance the Bureau's oversight capacity and success.

Staff Recommendation in the Background Paper: The Bureau should be continued, to be reviewed again on a future date to be determined.

BPPE Response: The Bureau would like to express gratitude to the Committees for the opportunity to continue its essential work in supporting California's postsecondary students through regulation of private postsecondary educational institutions.

Committee Recommendation: This bill extends the Bureau's sunset date by four years.

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[32] Foundation for California Community Colleges, *Bureau for Private Postsecondary Education Funding Study* (Jan. 2024), at 35.
[33] Ibid.
[34] Foundation for California Community Colleges, *Bureau for Private Postsecondary Education Funding Study* (Jan. 2024), at 36.
[35] Foundation for California Community Colleges, *Bureau for Private Postsecondary Education Funding Study* (Jan. 2024), at 37.
[36] Foundation for California Community Colleges, *Bureau for Private Postsecondary Education Funding Study* (Jan. 2024), at 38.

Current Related Legislation. AB 2772 (Committee on Business and Professions) is the sunset review vehicle for the California Council for Interior Design Certification. *This bill is currently pending in this committee.*

AB 2773 (Committee on Business and Professions) is the sunset review vehicle for the California Board of Occupational Therapy. *This bill is currently pending in this committee.*

AB 2774 (Committee on Business and Professions) is the sunset review vehicle for the Physical Therapy Board of California. *This bill is currently pending in this committee.*

AB 2775 (Committee on Business and Professions) is the sunset review vehicle for the State Board of Chiropractic Examiners. *This bill is currently pending in this committee.*

SB 1302 (Wahab) is the sunset review vehicle for the California Board of Registered Nursing. *This bill is currently pending in the Senate Business, Professions and Economic Development Committee.*

SB 1303 (Wahab) is the sunset review vehicle for the California Board of Naturopathic Medicine. *This bill is currently pending in the Senate Business, Professions and Economic Development Committee.*

SB 1304 (Wahab) is the sunset review vehicle for the California Respiratory Care Board. *This bill is currently pending in the Senate Business, Professions and Economic Development Committee.*

SB 1363 (Wahab) is the sunset review vehicle for the California Board of Barbering and Cosmetology. *This bill is currently pending in the Senate Business, Professions and Economic Development Committee.*

SB 1368 (Wahab) is the sunset review vehicle for the California Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board. *This bill is currently pending in the Senate Business, Professions and Economic Development Committee.*

Prior Related Legislation. SB 1433 (Roth), Chapter 544, Statutes of 2022, extended the Bureau’s sunset date to January 1, 2027, defined "physical presence," exempted certain programs, created a pathway for accredited institutions whose accreditors lose federal recognition to continue operating, authorized the Bureau to deny applications for known violators of the law, allowed for regulation of out-of-state public institutions, and added five new prohibited business practices.

SB 802 (Roth), Chapter 552, Statutes of 2021, extended the Bureau's sunset date by one year to January 1, 2023, updated various definitions and exemption criteria, amended the definition of "educational program" to exclude short courses and continuing education courses of 32 hours or less not designed to lead to employment, specified that the exemption for trade or fraternal organization-sponsored programs does not apply to programs sponsored by the institutions themselves, allowed the Bureau to extend accreditation deadlines for approved institutions under certain conditions, required the chair and vice chair of the advisory committee to be elected annually, instituted term limits for advisory committee leadership, and made various other changes intended to strengthen the Bureau's role in protecting students.

SB 1474 (Senate Committee on Business, Professions and Economic Development), Chapter 312, Statutes of 2020, extended the sunset date for various regulatory entities under the DCA, including the Bureau, by one year from January 1, 2021, to January 1, 2022, in response to the COVID-19 pandemic.

AB 70 (Berman), Chapter 153, Statutes of 2020, prohibited the BPPE from approving an exemption or handling complaints for a nonprofit institution that the AG determines does not meet specified criteria of a nonprofit corporation.

AB 1344 (Bauer-Kahan), Chapter 520, Statutes of 2019, required that out-of-state institutions registering with the BPPE, either at the time of registration or within 30 days if currently registered to notify the BPPE if specific actions are taken against the institution.

AB 1346 (Medina), Chapter 521, Statutes of 2019, expands the definition of "economic loss" for the purposes of recovery through the STRF to include all amounts paid to the institution and amounts paid in connection with attending the institution, and expands eligibility for students affected by the closure of Corinthian Colleges.

SB 1192 (Hill), Chapter 593, Statutes of 2016, extended the Bureau's sunset date to January 1, 2021, required out-of-state online institutions to register with the Bureau for a two-year period upon payment of a $1,500 application fee, increased the fine for unlicensed activity, required institutions to notify the Bureau of investigations by certain governmental agencies, modified the fee structure for institutions, and established the OSAR to provide outreach and individualized assistance to students impacted by an institution's unlawful activity or closure.

SB 1247 (Lieu), Chapter 840, Statutes of 2014, extended the Bureau's sunset date to January 1, 2017, required degree-granting institutions to be accredited, prohibited an institution participating in federal veterans' aid funding from claiming an exemption from the Act, and expanded the use of STRF payments to cover economic loss.

AB 48 (Portantino), Chapter 310, Statutes of 2009, established the current BPPE within the DCA, codified the Act, and created the regulatory framework governing private postsecondary institutions subject to the Bureau's oversight.

AB 1525 (Cook), Chapter 67, Statutes of 2007, codified a transition plan and authorized the DCA to assume the Bureau for Private Postsecondary and Vocational Education's (BPPVE) responsibilities following the sunset of the Reform Act and the BPPVE.

SB 1544 (Figueroa), Chapter 740, Statutes of 2004, extended the sunset date of the Reform Act to July 1, 2007, directed the DCA to appoint an enforcement monitor to evaluate the BPPVE's operations and report to the Legislature, and specified that institutions offering programs for $500 or less are exempt.

SB 967 (Burton), Chapter 340, Statutes of 2003, fully exempted WASC-accredited institutions from the Reform Act, extended the prior exemption beyond only degree-granting WASC-accredited institutions, and revised requirements for approval of new degree, diploma, or certificate programs offered by approved non-WASC regionally accredited institutions.

SB 364 (Figueroa), Chapter 789, Statutes of 2003, directed the BPPVE to work with the Joint Committee to streamline the Reform Act, identify necessary changes to improve state oversight, evaluate cost and staffing needs, improve data collection, expand outreach to prospective students, and report to the Legislature on other requested changes.

SB 819 (Calderon), Chapter 77, Statutes of 1997, extended the operation of the Reform Act and the Council to January 1, 1998.

AB 71 (Wright), Chapter 78, Statutes of 1997, transferred administration of the Reform Act from the Council to a newly created BPPVE within the DCA, extended the sunset date of the Reform Act to January 1, 2005, established a new registration category for short, low-cost programs and license exam preparation courses, required the DCA director to appoint an advisory board, mandated that occupational degree programs be at least two years long, required all approved schools to provide a pro rata refund to students who withdraw, reduced application and annual fees, and exempted certain institutions from all or portions of the Reform Act.

AB 1164 (Wright), Chapter 32, Statutes of 1997, extended the Council for Private Postsecondary and Vocational Education's (Council) sunset date from June 30, 1997, to July 18, 1997, as a stopgap measure pending a broader overhaul of private postsecondary education regulation.

AB 446 (Committee on Higher Education), Chapter 758, Statutes of 1995, extended the Council's sunset date by six months from January 1, 1997, to June 30, 1997.

AB 1402 (Waters), Chapter 1239, Statutes of 1989, enacted the Maxine Waters School Reform and Student Protection Act to complement the Reform Act by establishing minimum performance standards for course completion and job placement.

SB 190 (Morgan), Chapter 1307, Statutes of 1989, enacted the Private Postsecondary and Vocational Educational Reform Act of 1989, overhauled the state's regulatory framework, transferred oversight to a new 20-member Council, created a single approval process for all private institutions except those WASC-accredited, established distinct requirements for non-degree and degree-granting institutions, charged the Council with administering the STRF, and required schools to provide refunds, performance fact sheets, and annual reports.

AB 2790 (Hughes), Chapter 975, Statutes of 1978, established the STRF to provide financial relief to students who suffered economic losses while enrolled at an approved institution.

AB 911 (Arnett), Chapter 1202, Statutes of 1977, codified the Private Postsecondary Education Act, tasked the Superintendent of Public Instruction with protecting the integrity of degrees and diplomas conferred by private postsecondary institutions, and established an advisory council with equal representation from regulated institutions and the public.

ARGUMENTS IN SUPPORT:

In support, *The Institute for College Access and Success* writes:

> Today's private postsecondary education ecosystem has shifted dramatically since the Bureau was first envisioned: online education is expanding, the definitions of physical presence and oversight of out-of-state institutions are evolving, a new Pell Grant program

that uplifts short-term and certificate programs that were historically not Title IV eligible is coming online, and federal protections against aggressive recruitment and fraudulent activity are weakening. In this environment, ensuring that the Bureau is financially solvent, appropriately empowered, and statutorily equipped to act decisively is essential to protecting students and taxpayers alike.

ARGUMENTS IN OPPOSITION:

There is no opposition on file.

REGISTERED SUPPORT:

The Institute for College Access and Success
Legal Aid Foundation of Los Angeles
Northern California College Promise Coalition

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Kaitlin Curry / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2772 (Committee on Business and Professions) – As Introduced February 23, 2026

SUBJECT: Professions and vocations: interior designers: public protection.

SUMMARY: Provides that protection of the public shall be the highest priority for the California Council for Interior Design Certification (CCIDC) in exercising its certification and disciplinary authority, and any other functions.

EXISTING LAW:

1) States in myriad practice acts enforced by boards, bureaus, commissions, and councils that protection of the public shall be the highest priority. (Business and Professions Code (BPC) § 7301.1; § 2001.1; § 1601.2; § 2450.1; § 2460.1; § 2531.02; § 2570.25; § 2602.1; § 2708.1; § 2841.1; § 2920.1; § 3010.1; § 3320.1; § 3504.1; § 3710.1; § 4001.1; § 4501.1; § 4800.1; § 4928.1; § 4990.125; § 5000.1; § 5510.15; § 5620.1; § 6710.1; § 7000.6; § 7303.1; § 7501.05; § 7601.1; § 7810.1; § 8005.1; § 8520.1; § 9810.1; § 9880.3; § 18602.1; 19004.1; § 94770.1)

2) Defines the practice of a Certified Interior Designer (CID) as the preparation and submission of nonstructural or nonseismic plans to local building departments that are of sufficient complexity so as to require the skills of a licensed contractor to implement them, and the programming, planning, designing, and documenting of the construction and installation of nonstructural or nonseismic elements, finishes and furnishings within the interior spaces of a building. (BPC § 5800(a)

3) Establishes the CCIDC, a nonprofit organization that consists of CIDs whose governing board includes representatives of the public. (BPC § 5800(b))

4) Provides that a CID may voluntarily obtain a stamp from CCIDC that includes a number that uniquely identifies and bears the name of that CID and identifies the individual as either a CID or a CID with commercial designation. (BPC § 5801)

5) Subjects the procedure for the issuance of a stamp by CCIDC, including the examinations recognized and required by CCIDC, to occupational analyses and examination validation. (BPC § 5801.1)

6) Requires all drawings, specifications, or documents prepared for submission to any government regulatory agency by any CID or under their supervision to be affixed by a stamp and signed by that CID. (BPC § 5802)

7) Exempts CIDs from the Contractors State License Law insofar as they are designing systems for work to be performed by a licensed contractor. (BPC § 5803)

8) Makes it an unfair business practice for any CID or any other person to represent to the public that the person is "state certified" to practice interior design, or to use any other words or symbols that represent to the public that the person is so certified. (BPC § 5804)

9) Provides that nothing in the CID title act precludes CIDs or any other person from submitting interior design plans for commercial or residential buildings to local building officials, except as provided. (BPC § 5805)

10) Provides that nothing in the CID title act prohibits interior design or interior decorator services by any person or retail activity. (BPC § 5806)

11) Requires CIDs to use a written contract when contracting to provide interior design services to a client. (BPC § 5807)

12) Provides that the CID title act shall be subject to review by the appropriate policy committees of the Legislature and shall remain in effect only until January 1, 2027, and as of that date is repealed. (BPC § 5810)

13) Requires meetings of CCIDC to comply with the rules of the Bagley-Keene Open Meeting Act and authorizes CCIDC to take reasonable actions to carry out its responsibilities and duties; to adopt bylaws, rules, and procedures necessary to effectuate the purposes of the CID title act; and to establish application fees, renewal fees, and other fees related to the regulatory costs of providing services and carrying out CCIDC's responsibilities and duties. (BPC § 5811)

14) Authorizes CCIDC to issue a certification to any applicant who provides satisfactory evidence that they meet all of the requirements of this chapter and who complies with the bylaws, rules, and procedures established by CCIDC and authorizes CCIDC to issue a commercial designation to a CID or qualified applicant who, in addition to the requirements for a CID, passes additional interior design courses and examinations, as determined to be required by CCIDC. (BPC § 5811.1)

15) Makes it an unfair business practice for any person to represent or hold themselves out as, or to use the title "Certified Interior Designer" or any other term, such as "licensed," "registered," or "CID," that implies or suggests that the person is certified as an interior designer when they do not hold a valid certification from CCIDC. (BPC § 5812)

THIS BILL:

1) Provides that protection of the public shall be the highest priority for CCIDC in exercising its certification and disciplinary authority, and any other functions, and that whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

2) Declares that it is the intent of the Legislature to evaluate CCIDC through the joint legislative sunset review oversight process and to subsequently effectuate any recommendations produced through that process.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is the sunset review vehicle for the California Council for Interior Design Certification, authored by the Assembly Committee on Business and Professions.

Background.

Sunset review. In order to ensure that California's myriad professional oversight entities are meeting the state's public protection priorities, authorizing statutes for these regulatory bodies are subject to statutory dates of repeal, at which point the entity "sunsets" unless the date is extended by the Legislature. The sunset process provides a regular forum for discussion around the successes and challenges of various programs and the consideration of proposed changes to laws governing the regulation of professionals. Currently, the sunset review process applies to approximately three dozen different boards, bureaus, and commissions under the Department of Consumer Affairs, as well as the Department of Real Estate and three nongovernmental nonprofit councils, including CCIDC.

On a schedule averaging every four years, each entity is required to present a report to the Legislature's policy committees, which in return prepare a comprehensive background paper on the efficacy and efficiency of their licensing and enforcement programs. Both the Administration and regulated professional stakeholders actively engage in this process. Legislation is then subsequently introduced extending the repeal date for the entity along with any reforms identified during the sunset review process.

California Council for Interior Design Certification. CCIDC was first established in 1992. Unlike the majority of regulatory bodies responsible for overseeing professions and vocations in California, CCIDC is not a state agency and does not function as part of the state's government. Instead, CCIDC is incorporated as a private nonprofit public benefit corporation with 501(c)(3) tax exempt status. Certification offered by CCIDC is voluntary at the state level, though statute allows only certified individuals to use the term "certified interior designer" or any other language that implies certification by CCIDC.

As of December 2025, there are 1,722 certified interior designers (CIDs) in California. A CID is defined in statute as:

> A person who prepares and submits nonstructural or nonseismic plans … to local building departments that are of sufficient complexity so as to require the skills of a licensed contractor to implement them, and who engages in programming, planning, designing, and documenting the construction and installation of nonstructural or nonseismic elements, finishes and furnishings within the interior spaces of a building, and has demonstrated by means of education, experience and examination, the competency to protect and enhance the health, safety, and welfare of the public."

CCIDC is authorized to issue a commercial designation to CIDs who have passed additional interior design courses and examinations.

While the phrase "interior design" is commonly associated with decorative services focused exclusively on visual elements such as furniture arrangements or wall colors, CIDs utilize considerable technical knowledge to ensure that indoor spaces are safe and functional in addition to aesthetically pleasing. CIDs are frequently involved in designing nonstructural interior elements and preparing code-compliant interior plans and documents and often work with building codes, accessibility standards, and contractors. CCIDC attributes public misconceptions regarding the scope of the interior design profession to the rise in popularity of design-oriented reality television, arguing that media portrayals "oversimplify and misrepresent the complexity and technical expertise required in professional practice."

CCIDC has the authority to grant or deny applications for certification and to discipline certificate holders by denying, suspending, or imposing probationary conditions on certificates. CCIDC may also require a CID to complete remedial coursework in ethics and business practices as a condition of reinstatement or resolution of a disciplinary action. Through these responsibilities, CCIDC helps ensure that CIDs meet professional competency standards designed to protect California consumers. CCIDC does not approve or oversee educational institutions offering programs in interior design.

Issues Raised during Sunset Review. The background paper for CCIDC's sunset review oversight hearing contained a total of 13 issues and recommendations, each of which is eligible to result in statutory changes enacted through CCIDC's sunset bill.[1]

This bill has not yet been amended to address any of the issues discussed during CCIDC's sunset bill. Several of the major issues raised were existential in nature. For example, there are currently legislative efforts proposing to establish a state license for professional interior designers within the California Architecture Board. If such a proposal appeared likely to be successful, it would require adjustment to the existing laws governing CCIDC beyond the type of technical changes more typically associated with sunset review.

Notwithstanding proposals to increase the level of regulation on interior designers through state licensure, the sunset background paper for CCIDC questioned whether structural changes to how CCIDC is recognized in statute as a private entity would be appropriate. Issue #13 in the sunset background paper, under the heading "Continued Regulation," discussed recent conflicts between the Legislature and other nonprofit councils that have included arguments that the Legislature cannot dictate how those entities operate despite them being putatively subject to the sunset review process. The sunset background paper concluded with the following recommendation:

> The Committees should discuss whether CCIDC should remain established in state law as a quasi-public entity; if that statutory framework is extended, the Committees should consider enacting additional reforms to increase the transparency and accountability of the Council and support the statewide recognition of CIDs as design professionals.

As discussions concerning both the interior design profession generally and CCIDC's role as a quasi-public entity specifically continue, it is likely premature for language to be incorporated into CCIDC's sunset bill. Significant reforms would need to be reconciled with the Legislature's ongoing contemplation of what level of regulation is appropriate for interior designers. Meanwhile, the question of whether to extend CCIDC's sunset date and allow for it to remain codified in its current form remains an actionable question. Substantive language should be amended into this bill once greater clarify of legislative intent has been obtained.

Current Related Legislation. AB 1796 (Jackson) would establish a new category of licensed professional for interior designers within the California Architects Board (CAB), define the scope of practice for professional interior design, and expand the membership of the CAB to include a professional interior designer.

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[1] https://abp.assembly.ca.gov/media/1282

Prior Related Legislation. SB 816 (Roth), Chapter 723, Statutes of 2023 codified CCIDC's authority to issue a CID commercial designation.

SB 1437 (Roth), Chapter 311, Statutes of 2022 extended CCIDC's sunset date.

SB 308 (Lieu), Chapter 333, Statutes of 2013 extended CCIDC's sunset date, required CIDs to use written contracts when providing interior design services, and required meetings of CCIDC's board to comply with the Bagley-Keene Open Meeting Act.

AB 2482 (Ma) of 2012 would have established a California Registered Interior Designers Board within the DCA regulate interior designers. *This bill died without a hearing in this committee.*

SB 1312 (Yee/Calderon) of 2008 would have placed interior designers under a Registered Interior Designers Committee within the CAB. *This bill failed on the Senate Floor.*

SB 363 (Figueroa), Chapter 874, Statutes of 2003 extended CCIDC's sunset date, modified the qualifying education and experience standards for a CID, and required CCIDC to provide a report on the costs and benefits of its examination requirements and feasible alternatives.

SB 136 (Figueroa), Chapter 495, Statutes of 2001 extended CCIDC's sunset date, required CCIDC to report specified information to the Joint Committee and to undergo an independent audit of its finances, and required CCIDC to change from a 501(c)(6) nonprofit corporation to a 501(c)(3) nonprofit corporation.

AB 1096 (Romero) of 1999 would have established a Board of Interior Design within the DCA. *This bill was vetoed by the Governor.*

SB 153 (Craven), Chapter 396, Statutes of 1990 established a voluntary certification process for interior designers through CCIDC.

SB 354 (Craven), Chapter 699, Statutes of 1988 required the CSLB to fund a study on the necessity and feasibility of licensing interior designers.

REGISTERED SUPPORT:

None on file

REGISTERED OPPOSITION:

None on file

Analysis Prepared by: Robert Sumner / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2773 Committee on Business and Professions – As Amended April 16, 2026

SUBJECT: California Board of Occupational Therapy: licensing: fees.

SUMMARY: Extends the sunset date for the California Board of Occupation Therapy (CBOT or Board) until January 1, 2031, establishes the CBOT's authority to charge certain fees, recognizes additional pathways for satisfying fieldwork requirements for license application, and makes other technical changes and statutory improvements in response to issues raised during the sunset review process.

EXISTING LAW:

1) Provides for the regulation of veterinary medicine under the Occupational Therapy Practice Act (Act), which outlines the licensure requirements, scope of practice, and responsibilities of individuals practicing occupational therapy in the state. (Business and Professions Code (BPC) §§ 2570 *et seq.*)

2) Establishes the CBOT under the jurisdiction of the Department of Consumer Affairs (DCA), responsible for enforcing the Act, and regulating occupational therapists (OTs) and occupational therapy assistants (OTAs) until January 1, 2026. (BPC § 2570.19)

3) Requires the CBOT to meet and hold at least one regular meeting annually in the Cities of Sacramento, Los Angeles, and San Francisco. (BPC § 2570.19(g))

4) Authorizes the following persons to practice occupational therapy:

   a) Any person licensed or otherwise recognized in this state by any other law or regulation when that person is engaged in the profession or occupation for which he or she is licensed or otherwise recognized,

   b) Any person pursuing a supervised course of study leading to a degree or certificate in occupational therapy at an accredited educational program, if the person is designated by a title that clearly indicates his or her status as a student or trainee, and

   c) Any person fulfilling the supervised fieldwork experience requirements of their educational program.

   (BPC § 2570.4)

5) Requires that applicants for licensure as an OT or OTA meet specified requirements, including that the applicant:

   a) Has successfully completed the academic requirements of an educational program for OTs or OTAs that is approved by the CBOT and accredited by the American Occupational Therapy Association's Accreditation Council for Occupational Therapy Education (ACOTE), or as otherwise specified, and

b) Has successfully completed a period of supervised fieldwork experience approved by the CBOT and arranged by a recognized educational institution where he or she met their academic requirements.

(BPC § 2570.6)

6) Requires the CBOT to establish the following fees:

a) A licensing and renewal fee not to exceed $150 a year,

b) An application fee not to exceed $50,

c) A limited permit fee,

d) A fee to collect fingerprints for criminal history record checks, not to exceed the amount charged by the agency providing the record check, and

e) A fee to query the National Practitioner Data Bank for applicants for licensure and renewal of licensure, not to exceed the amount charged per query.

(BPC § 2570.16)

THIS BILL:

1) Requires that the limited permit fee not exceed $125.

2) Establishes the following additional fees:

a) A pocket card fee not to exceed $50,

b) A duplicate wall certificate fee not to exceed $50, and

c) A fee for a letter of good standing, endorsements, or verification of licensure not to exceed $50.

3) Specifies that supervised fieldwork requirements for licensure must be arranged by an ACOTE-accredited institution.

4) Authorizes any person completing a supervised entry-level doctoral capstone experience to practice occupational therapy, so long the practice constitutes a part of the experience necessary to meet their doctoral requirements.

5) Requires that applicants for licensure successfully complete a supervised entry-level doctoral capstone experience arranged by an ACOTE-accredited educational institution where the applicant has met their academic requirements.

6) On or before July 1, 2027, requires applicants and licensees to provide a current email address to the CBOT if they have one, and to notify the CBOT of any changes to their email address within 30 days; requires the CBOT to remind licensees of their obligation to report their email address with each renewal application.

7) Specifies that the CBOT shall meet at least three times a year, and that at least one meeting shall be in northern California and one shall be in southern California.

8) Extends the sunset date for the CBOT to January 1, 2031.

9) Makes technical changes to the Act, including adding gender-neutral language.

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. This bill is the sunset review vehicle for the CBOT, authored by the Assembly Business and Professions Committee. The bill extends the sunset date for the Board and enacts technical changes, statutory improvements, and policy reforms in response to issues raised during the Board's sunset review oversight process.

Background.

Sunset Review. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development hold joint sunset review oversight hearings to review the licensing boards under the DCA. The DCA boards are responsible for protecting consumers and the public and regulating the professionals they license. The sunset review process provides an opportunity for the Legislature, DCA, boards, and stakeholders to discuss the performance of the boards and make recommendations for improvements.

Each board subject to review has an enacting statute that has a repeal date, which means each board requires an extension before the repeal date. This bill is one of the "sunset" bills that are intended to extend the repeal date of the boards undergoing sunset review, as well as include the recommendations from the sunset review oversight hearings.

This year, there are five sunset review bills authored by the Assembly Committee on Business and Professions and five sunset review bills authored by the Chair of the Senate Business, Professions and Economic Development Committee.

SUNSET ISSUES FOR CONSIDERATION:

As part of the CBOT's sunset review, a number of issues and priorities were raised by the Board's staff, stakeholders, and legislative committees. These issues were first outlined in the CBOT's "Sunset Review Report 2026" submitted to the Legislature in January. Subsequently, as part of the Joint Sunset hearings conducted by the Assembly Committee on Business and Professions and the Senate Business, Professions and Economic Development Committee, committee staff published background papers highlighting recommendations to the CBOT regarding issues raised in their report. The background paper is available on the Committee's website: https://abp.assembly.ca.gov/jointsunsethearings. The CBOT is expected to provide the committees with formal responses to these recommendations by April 24, 2026, including recommended statutory revisions. In the meantime, this bill addresses certain issues discussed in the report and oversight hearing, while some remain in active deliberation between the Board and stakeholders.

Currently, AB 2773 addresses the following issues related to the administration, composition, and enforcement capabilities of the Board:

1) *Issue #1 – Fee Authority.* As described in the "Fiscal, Fund, and Fee Analysis" portion of this paper, the Board is an entirely special funded entity and does not receive appropriations from the state's General Fund. The Board generates revenue from the fees associated with licensing occupational therapists and occupational therapy assistants, including application fees, initial licensure fees, biennial renewal fees, and fines for citations related to violations of the Act. Notably, the Board's fee authority has remained largely unchanged since the passage of the Act in 2000, which states "initial license and renewal fees shall be established by the board in an amount that does not exceed a ceiling of one hundred fifty dollars ($150) per year"[1]. In other words, the Board has been limited to a statutory maximum of $300 for each biennial license renewal since 2001. While the Board has been granted authority in previous sunset reviews to charge additional, smaller fees—such as a $50 application fee, a $25 retired licensee fee, and negligible fees for cost recovery related to criminal history and national practitioner data retrieval, their renewal authority has remained unchanged.

   The issue of the Board's fee authority was raised in its last sunset review, when the Board cited concern regarding increased external cost pressures (such as DCA pro rata, increased legal service charges from the Department of Justice, and increased cost of court reporters) and a decreasing revenue forecast. The Board said then, "despite underspending its annual budget authority for the past 10+ years, the imbalance of revenue earned relative to its expenditures cannot continue. Most fees are at the statutory maximum and the few fees that can be raised in regulation are insufficient to ensure solvency. Thus, statutory authority to increase current fees and establish new fees is necessary." Furthermore, in correspondence to the Committees during the course of this sunset review, the Board has opined that various incidental costs incurred by the Board for licensed services—such as pocket licenses, letters of good standing, advanced practice approval, and more—either do not have a fee associated with them, or the statutory fee is insufficient to cover the administrative cost.

   As a result of 2022 Sunset Review discussions, the Board formed an ad hoc Budget Committee dedicated to working with the Executive Officer to review revenue and expenditures, discuss potential fee scenarios, and provide recommendations to the full Board. This Budget Committee has worked extensively with the Executive Officer and the Board over the course of the sunset review period to deliberate multiple draft fee structures, and have revised recommendations based on changes to budget forecasts and feedback from stakeholders.

   To fully address the fund imbalance and prepare for the future, the Board is seeking changes to the statutory maximums for some fees. The Board has approved the following draft fee structure, developed in consultation with the ad hoc Budget Committee:

Proposed Statutory Fee Structure – January 2026

[1] Business and Professions Code § 2570.16

Fee Type	Current Amount	Current Statutory Cap	Proposed Statutory Cap
Renewal Fee – OT	$270	$150/yr ($300 biennially)	$500 biennially
Renewal Fee – OTA	$210	$150/yr ($300 biennially)	$450 biennially
Delinquent Fee – OT	$135	50% of renewal fee	Unchanged
Delinquent Fee – OTA	$105	50% of renewal fee	Unchanged
Application Fee – OT	$50	$50	$100
Application Fee – OTA	$50	$50	$100
Limited Permit Fee – OT	$100	Undefined	Undefined
Limited Permit Fee – OTA	$100	Undefined	Undefined
Retired Status Fee	$25	$25	$50
Advanced Practice App Fee	$0	N/A	$200
Pocket License*	$25	$25	$50
Duplicate Wall Certificate*	$25	$25	$50
License Verification/Letter of Good Standing	$35	Undefined	$50

**Current caps pursuant to Business and Professions Code § 122*

The Board contends that this fee structure would allow for the administrative costs of various incidental services offered to be properly recouped with an appropriate fee. They further note that the proposed changes would separate the statutory limit on renewal fees for each of the license types issued by the Board, allowing them to more carefully tailor renewal fees according to the separate license categories.

If increased statutory authority is granted, the Board's fund could be brought into balance through a combination of an approved regulatory package to increase renewal fees to $300, and a subsequent package to increase application fees, advanced practice application fees, duplicate license fees, license verification fees, and other incidental costs. Moreover, the Board has reiterated to the Committees that further adjustments to licensing fees, particularly impacting applications, initial licensure, and/or renewals, will be preceded by careful deliberation with proper opportunities for stakeholder input.

In a letter addressed to the Committees on March 16th, 2026, the Occupational Therapy Association of California (OTAC) wrote: "OTAC understands the need for fee increases to account for inflation and other economic factors to keep the Board financially solvent. While we support the proposed increase, we hope the Board has explored all possible cost-saving measures in other areas to ensure the increase is justified."

Additionally, while the Board contends that certain fee authorizations would cover the cost of administration for certain incidental services they currently do not charge for, some of these services—particularly, approval for advanced practices—should be expected to decrease as the profession evolves and the Board continues to conform licensure requirements to increased education standards. Moreover, stakeholders argue that typically, individuals applying for advanced practice certification are newer graduates, and that adding an additional advanced practice fee would increase the already-long list of first-year costs for licensees (application fee, initial license, fingerprinting, and official transcripts). In other words, the Board should carefully consider what incidental services they request a fee for, and what amount is reasonable to

cover the cost of ongoing maintenance while not placing an undue burden on practitioners.

Staff Recommendation in the Background Paper: The Board should keep the Committees apprised as the proposed regulatory package to increase renewal fees is finalized. The Board should inform the Committees of specific incidental services that have insufficient fees to cover the cost of administration, and recommend statutory language to the Committees for consideration.

Current Recommendation: While discussions around further fee authority are ongoing, this bill establishes the requested fee authority for incidental services provided by the CBOT, including a pocket license fee, a duplicate wall certificate fee, and a fee for obtaining a letter of good standing or license verification from the Board. The bill would cap these fees at $50 annually, and additionally would cap the limited permit fee, which is currently uncapped, at $125 annually.

2) *Issue #9 – Doctoral Capstone Experience.* A Doctor of Occupational Therapy (OTD) is an advanced, doctoral-level degree offered to prospective OTs, or as a post-professional program to OTs who want to obtain additional education. Beyond a more comprehensive education curriculum that includes content on clinical leadership and certain specialized practices, OTD programs also include a mandatory "Doctoral Capstone Project" at the end of their study. This individual project, which ACOTE mandates must be at least 14 weeks in duration, allows students to relate theory and research they learn in their coursework to real-life practice, and synthesize in-depth knowledge in a specific area of interest within occupational therapy.

   Capstone projects are developed through collaboration between the student, a doctoral-level faculty member, and a content expert. Prior to commencing the project, students must complete extensive preparation with their academic mentor, including a literature review, needs assessment, and defined project goal. Upon completion, students must disseminate their project and undergo a formal objective evaluation of their performance.

   A key finding in the Board's 2019 OTA Workforce Study conducted alongside California Community Colleges Centers of Excellence for Labor Market Research, was that "of the OTAs surveyed, many expressed interest in pursuing higher education to advance in the field of occupational therapy"[2]. It is therefore plausible that the prevalence of doctoral capstone projects as part of OT educational fieldwork, particularly conducted in post-professional programs, will increase.

   On pages 83 and 84 of their 2026 sunset report, the Board requested amendments to statute that recognize the role of doctoral capstone projects in the occupational therapy workforce, and that clearly allow students to count doctoral capstone experience toward their required supervised clinical hours for licensure.

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[2] California Board of Occupational Therapy and the California Community Colleges' Centers of Excellence for Labor Market Research. (2019). *Workforce Needs Assessment in California.* Retrieved from: https://www.bot.ca.gov/forms_pubs/publications.shtml

Staff Recommendation in the Background Paper: The Board should provide the Committees with any data regarding how many licensees possess an OTD degree and provide further recommendations to recognize and/or support doctoral capstone projects, if there are any.

Current Recommendation: This bill enacts statutory revisions to BPC § 2570.4 and BPC § 2570.6 to recognize doctoral capstone experience as a pathway for satisfying the fieldwork requirements for OT licensure, as recommended in the CBOT's 2026 Sunset Review Report.

3) *Issue #10 – Licensee Emails.* Several other DCA boards, including the Board of Behavioral Sciences, Medical Board, Dental Board, Physical Therapy Board, and Psychology Board, have added requirements to their laws that applicants, registrants, and licensees provide their respective board with a current email address if they possess one.

   In its 2026 Sunset Review Report, the Board contends that such a requirement would be useful for its administration of licensees, as well as it would allow them to proactively communicate information about law changes, upcoming Board meetings, or other important updates to most of its licensee and registrant population. Currently, the Board relies on email subscription lists (i.e., a Listserv) or posting on social media pages to communicate to the licensed population.

   Staff Recommendation in the Background Paper: The Board should provide the Committees with language to mandate that licensees provide the Board with a current email address.

   Current Recommendation: This bill adds Section 2570.40 to the BPC, which requires that current licensees and applicants who possess an email address provide it to the CBOT no later than July 1, 2027, and further requires that licensees and applicants update their email information no later than 30 calendar days after a change occurs.

4) *Issue #11 – Technical Cleanup.* As the occupational therapy profession continues to evolve and the Legislature enacts new laws affecting the Practice Act, many provisions of statute become outdated, duplicative or superfluous. The Board has identified a few minor, necessary statutory revisions, such as the need to update requirements regarding meeting frequency and location, an issue identified on Page 85 of their sunset report. The Board should recommend any additional cleanup amendments that can be enacted during this sunset review process beyond administrative changes already highlighted above.

   Staff Recommendation in the Background Paper: The Board should work with the Committees to enact any technical changes to the Business and Professions Code necessary to clarify language, improve efficiency and remove unnecessary statutes, and that have not otherwise been raised in this background paper.

   Current Recommendation: This bill specifies that the CBOT shall meet at least three times a year, with at least one meeting per-calendar-year in northern California and one per-calendar-year in southern California. This recommendation was included in the CBOT's 2026 Sunset Review Report.

5) *Issue #12 – Continuation of the Board.* The health, safety, and welfare of consumers is protected by a well-regulated occupational therapy profession. Although the Board is facing an increased enforcement workload and a greater licensee population since the last sunset review, the Board has displayed a strong commitment to improve overall efficiency and effectiveness in operations, and has been responsive to inquiries from the Committees regarding current funding and administration. While outstanding issues impacting the profession remain, such as those outlined in this background paper, the CBOT and its staff continue to actively work with the Committees to identify solutions.

   Staff Recommendation in the Background Paper: The practice of occupational therapy should continue to be regulated by the CBOT, and the Committees should continue to review the Board again on a future date to be determined.

   Current Recommendation: This bill extends the CBOT's sunset date to January 1, 2031.

Current Related Legislation. AB 2771 (Committee on Business and Professions) is the sunset review vehicle for the California Board of Private Postsecondary Education. *This bill is currently pending in this committee.*

AB 2772 (Committee on Business and Professions) is the sunset review vehicle for the California Council for Interior Design Certification. *This bill is currently pending in this committee.*

AB 2774 (Committee on Business and Professions) is the sunset review vehicle for the Physical Therapy Board of California. *This bill is currently pending in this committee.*

AB 2775 (Committee on Business and Professions) is the sunset review vehicle for the State Board of Chiropractic Examiners. *This bill is currently pending in this committee.*

SB 1302 (Wahab) is the sunset review vehicle for the California Board of Registered Nursing (BRN). *This bill is currently pending in the Senate Business, Professions & Economic Development Committee.*

SB 1303 (Wahab) is the sunset review vehicle for the California Board of Naturopathic Medicine (CBNM). *This bill is currently pending in the Senate Business, Professions & Economic Development Committee.*

SB 1304 (Wahab) is the sunset review vehicle for the California Respiratory Care Board (RCB). *This bill is currently pending in the Senate Business, Professions & Economic Development Committee.*

SB 1363 (Wahab) is the sunset review vehicle for the California Board of Barbering and Cosmetology (BBC). *This bill is currently pending in the Senate Business, Professions & Economic Development Committee.*

SB 1368 (Wahab) is the sunset review vehicle for the California Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board (SLPAHADB). *This bill is currently pending in the Senate Business, Professions & Economic Development Committee.*

Prior Related Legislation. AB 2671 (Berman), Chapter 290, Statutes of 2022, extended the CBOT's sunset date to January 1, 2027, and enacted various technical reforms resulting from the sunset review process.

ARGUMENTS IN SUPPORT:

This bill is supported by the *Occupational Therapy Association of California (OTAC)*, who write: "OT practitioners are licensed and regulated by the [CBOT] and OTAC appreciates the role of the Board in oversight and enforcement of OT clinicians and the Occupational Therapy Practice Act."

ARGUMENTS IN OPPOSITION:

There is no opposition on file.

IMPLEMENTATION ISSUES:

Doctoral Capstone Requirement. On pages 84 and 85 of their 2026 Sunset Review Report, the CBOT requested the amendment in this bill to BPC § 2570.6 to "accept completion of the entry-level doctoral degree as method of qualifying for licensure". The intent of this request was to make it easier for OTD graduates who completed a capstone experience to obtain licensure, but not to restrict applicants who did not complete an OTD program. However, as written the bill unintentionally mandates that all applicants for licensure must complete a doctoral capstone experience. In correspondence with Committee staff, CBOT staff has insisted that this mandate is inadvertent, and has requested that changes to BPC § 2570.6 be removed from the bill.

AMENDMENTS:

To address the implementation issue above, strike Section 2 from the bill, and amend Section 1 of the bill as follows:

On page 3 after line 23:

> (d) Any person completing a supervised entry-level doctoral capstone experience ~~*requirements of subdivision (c) of Section 2570.6, if the experience constitutes a part of the experience necessary to meet the requirement of that provision.*~~ *as part of the requirements for obtaining an occupational therapy doctorate degree from an ACOTE-accredited educational institution.*

REGISTERED SUPPORT:

Occupational Therapy Association of California

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Edward Franco / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2774 (Committee on Business and Professions) – As Introduced February 23, 2026

SUBJECT: Physical Therapy Board of California.

SUMMARY: States that is the intent of the Legislature to evaluate the Physical Therapy Board of California (PTBC) through the joint legislative sunset review oversight process and to subsequently include in this bill recommendations produced through that process.

EXISTING LAW:

1) Regulates the practice of physical therapy by licensed physical therapists (PTs) and physical therapy assistants (PTAs) under the Physical Therapy Practice Act and establishes the PTBC until January 1, 2027, to administer and enforce the act. (Business & Professions Code (BPC) §§ 2600-2696)

2) Authorizes the PTBC to employ an executive officer and other employees until January 1, 2027. (BPC § 2607.5)

3) Specifies that protection of the public is the highest priority for the PTBC in exercising its licensing, regulatory, and disciplinary functions. (BPC § 2602.1)

4) Defines physical therapy as the art and science of physical or corrective rehabilitation or of physical or corrective treatment of any bodily or mental condition of any person by the use of the physical, chemical, and other properties of heat, light, water, electricity, sound, massage, and active, passive, and resistive exercise; specifies that physical therapy includes evaluation, treatment planning, instruction and consultative services; and specifies that the practice of physical therapy includes the promotion and maintenance of physical fitness to enhance the bodily movement related health and wellness of individuals through the use of physical therapy interventions. (BPC § 2620(a))

5) Makes it unlawful to practice, or offer to practice, physical therapy in this state for compensation received or expected, or to claim to be a PT, unless licensed as a PT or otherwise authorized or exempt. (BPC §§ 2630, 2630.3, 2630.5)

6) Establishes the licensing fee amounts for PTs and PTAs as follows:

   a) PT application fee of $125 and PT foreign graduate application fee of $200, both of which the PTBC may lower or increase, up to $300; after January 1, 2016, sets both to $300. (BPC §§ 2653, 2688(a); California Code of Regulations (CCR) Title 16 § 1399.50(a)-(b))

   b) PT initial license fee of $100, which the PTBC may lower or increase, up to $150; after January 1, 2016, set to $150. (BPC § 2688(c)); CCR tit. 16 § 1399.50(c))

   c) PT biennial license renewal fee of $200, which the PTBC may lower or increase, up to $300; after January 1, 2016, set to $300. (BPC § 2688(d)) (BPC § 2688(d)) CCR tit. 16 § 1399.50(d))

d) PTA application and initial license fee of $125 and PT foreign graduate application and initial license fee of $200, which the PTBC may lower or increase, up to $300; after January 1, 2016, sets both to $300. (BPC § 2688(e); CCR tit. 16 § 1399.52(a)-(b))

e) PTA biennial license renewal fee of $200, which the PTBC may lower or increase, up to $300; after January 1, 2016, set to $300. (BPC § 2688(f); CCR tit. 16 § 1399.52(c))

7) Makes it unprofessional conduct and grounds for disciplinary action for a licensee of a healing arts board to commit any act of sexual abuse, misconduct, or relations with a patient, client, or customer, as specified. (BPC § 726)

8) Establishes a registration program for people convicted of specified sex offenses to register with local law enforcement under the Sex Offender Registration Act. (Penal Code (PEN) §§ 290-290.024)

9) Requires the PTBC to deny an applicant for a PT or PTA license if they are required to register under the Sex Offender Registration Act, except in specified cases of misdemeanor convictions for indecent exposure. (BPC § 2660.5; PEN §§ 290, 314)

10) Authorizes a person whose license has been revoked or suspended, or who has been placed on probation, to petition the PTBC for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the specified minimum periods has elapsed from the effective date of the decision ordering that disciplinary action. (BPC § 2661.7)

THIS BILL:

1) Makes technical changes to the provisions that contain the PTBC's sunset dates and review requirements.

FISCAL EFFECT: Unknown; this bill is keyed nonfiscal by the Legislative Counsel.

COMMENTS:

Purpose. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development hold joint sunset review oversight hearings to review the licensing entities under the Department of Consumer Affairs (DCA). The DCA boards, bureaus, and other entities are responsible for protecting consumers and the public and regulating the professionals they license. The sunset review process provides an opportunity for the legislature, DCA, licensing entities, and stakeholders to discuss the entities' performance and make recommendations for improvements.

Each licensing entity subject to review has an enacting statute with a repeal date, meaning their authority must be extended by the legislature before the repeal date, otherwise the entity will lose its statutory mandate. This bill is a "sunset" bill, intended to extend the repeal date of the PTBC, as well as incorporate the recommendations from the sunset review oversight hearings. This year there are ten boards up for review, each with their own sunset bill. Five of the sunset review bills are authored by the chair of the Assembly Committee on Business and Professions and the other five are authored by the chair of the Senate Committee on Business, Professions, and Economic Development.

Background. The PTBC is responsible for administering and enforcing the Physical Therapy Practice Act, which establishes the board and contains the regulatory framework for the practice of physical therapy. According to the PTBC:

> The practice of physical therapy combines art and science to enhance quality of life and movement potential through promotion, prevention, treatment/intervention, habilitation, and rehabilitation. This scope includes physical, psychological, emotional, and social well-being. Physical therapy is delivered through collaboration between the physical therapist, patients/clients, other health professionals, families, caregivers, and communities. In this process, movement potential is assessed, and goals are established, using knowledge and skills unique to physical therapists.

The PTBC's primary function is to run the licensing, education, and disciplinary programs for physical therapists (PTs) and physical therapy assistants (PTAs). The PTBC also regulates unlicensed physical therapy aides and physical therapy students.

At the end of fiscal year (FY) 2024-25,[3] the PTBC reported a total of 40,278 active, in-state licensees, including 31,023 PTs and 9,255 PTAs. It also reported 50 approved educational programs in California, 20 PT programs and 30 PTA programs.

The PTBC's mission statement, as stated in its *2024-2029 Strategic Plan*, is: "To protect the people of California by the effective administration of the Physical Therapy Practice Act."

Fees. The PTBC's fees are established under the Physical Therapy Practice Act. Most of the PTBC's fees can be adjusted in regulation, but there are also some flat fees for ministerial services. The fees for PTs and PTAs are as follows:

- An application fee up to a maximum of $300.

- For PTs, an initial license fee up to a maximum of $150. PTA initial license and application fees are combined into the $300 application fee.

- An examination fee that covers the actual cost to the PTBC of the development and writing of, or purchase of the examination, and grading of each written examination, plus the actual cost of administering each examination. Alternatively, the PTBC may pass the fee through to the organization administering the examination.

- A renewal fee up to a maximum of $300.

- A late renewal (delinquency) fee that is 50% of the renewal fee in effect.

- A duplicate wall certificate fee that does not exceed the cost of issuing duplicates, up to a maximum of $100.

- An endorsement or letter of good standing fee that does not exceed the cost of issuing an endorsement or letter, up to a maximum of $100.

While the PTBC has the authority to adjust the fees, every major fee has been set to the statutory maximum since FY 2015–16. The PTBC is requesting an increase to the fee ceilings as discussed under Issue #1 of Sunset Issues for Consideration on pages 5-6 of this analysis.

Current Related Legislation. AB 2771 (Committee on Business and Professions) is the sunset review bill for the Bureau of Private Postsecondary Education. *AB 2771 is pending in this committee*.

AB 2772 (Committee on Business and Professions) is the sunset review bill for the California Council for Interior Design Certification. *AB 2772 is pending in this committee*.

AB 2773 (Committee on Business and Professions) is the sunset review bill for the California Board of Occupational Therapy. *AB 2773 is pending in this committee*.

AB 2775 (Committee on Business and Professions) is the sunset review bill for the State Board of Chiropractic Examiners (BCE). *AB 2775 is pending in this committee*.

SB 1302 (Wahab) is the sunset review bill for the California Board of Registered Nursing. *SB 1302 is pending in the Senate*.

SB 1303 (Wahab) is the sunset review bill for the California Board of Naturopathic Medicine. *SB 1303 is pending in the Senate*.

SB 1304 (Wahab) is the sunset review bill for the California Respiratory Care Board. *SB 1304 is pending in the Senate*.

SB 1363 (Wahab) is the sunset review bill for the California Board of Barbering and Cosmetology. *SB 1363 is pending in the Senate*.

SB 1368 (Wahab) is the sunset review bill for the California Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board. *SB 1368 is pending in the Senate*.

Prior Related Legislation. AB 1501 (Berman), Chapter 194, Statutes of 2025, was the prior sunset bill for the Podiatric Medical Board of California and the Physician Assistant Board and, among other things, increased the statutory limits on the licensing fees for physician assistants.

SB 1438 (Roth), Chapter 509, Statutes of 2022, was the prior sunset bill for the PTBC, which extended the board by four years and codified a DCA waiver authorizing telehealth examinations for continuing physical therapy treatment initiated directly with a PT.

AB 1706 (Committee on Business and Professions), Chapter 454, Statutes of 2017, was a prior sunset bill for the PTBC, the Board of Chiropractic Examiners, the Speech-Language Pathology Audiology and Hearing Aid Dispensers Board, and the California Board of Occupational Therapy.

SUNSET ISSUES FOR CONSIDERATION:

In preparation for the sunset hearings, committee staff publish background papers that identify outstanding issues related to the entity being reviewed. All background papers are available on the committee's website: https://abp.assembly.ca.gov/hearings/joint-sunset-review-oversight-hearings. While every issue discussed in the background papers remain available for discussion, the following are being addressed in the amendments to this bill or are being actively discussed.

1) *Issue #1: Statutory Fee Cap Increase*. This issue is a continuation of the discussions from Issue #1 from its 2017 sunset review and Issue #3 from the PTBC's 2022 sunset review. During the PTBC's 2017 sunset review, the PTBC wrote in its *2016 Sunset Review Report*:

   > In an effort to avoid an operational deficiency within the next 5 years or prior to PTBCs next Sunset Review (FY 2022/23), the PTBC suggests amending the licensing caps under [BPC] § 2688 to appropriate amounts that would sustain the ongoing operations of the PTBC. It should be noted, should this action be approved through the Sunset Review process, the outcome will increase the licensing fee caps only. Should the PTBC require the need to increase its licensing fees to sustain ongoing operations, the PTBC would require a regulatory change through the rulemaking process which includes various approvals, including board members.

   The PTBC's sunset bill was ultimately not amended to increase the fee caps at that time. However, during the PTBC's 2022 sunset review, it was again noted that PTBC anticipated a diminishing fund condition. Specifically, starting in FY 2021-22 (7.7 months) and continuing each FY with projected insolvency occurring FY 2025-26. The fee cap increases were not included in the final version of sunset bill.

   The DCA budget office projections in the PTBC's *2025 Sunset Review Report* indicate that the PTBC's fund may shrink to 6.6 months of operating expenses by FY 2026-27. If those projections actualize, insolvency is possible beyond FY 2030-31.

   PTBC staff has since noted that the projection did not include updated budget deficiencies identified in the Current Year (CY) 2025-26 and ongoing. Specifically, the new projected deficiency is $576,582 ($183k AG, $122k OAH, and $271,582 Personnel Services and Operating Expenses), up from approximately $417k. PTBC staff notes that this deficiency will be ongoing and is subject to increase with increased workload, i.e., licensing population, enforcement, and employee salaries and benefit changes. Therefore, the PTBC expects insolvency will occur before FY 2030-31.

   Staff Background Paper Recommendation: The PTBC should continue to work with the Committees on ensuring fees are set at the appropriate amounts and share the result of its fee study when it is complete.

   PTBC Response:

   > The PTBC appreciates the Committees' recommendation and agrees that fees should be set at appropriate amounts to support the PTBC's consumer protection mission. As noted in the background paper, the issue before the Legislature is whether the statutory fee caps in Business and Professions Code section 2688 should be increased, not whether fees themselves should be increased. The PTBC's fee study has now been completed and was presented to the PTBC at its March 19, 2026, meeting. Following discussion of the study, the PTBC adopted proposed legislative fee caps for consideration through the Sunset Review process. Any future increase to actual fees would not occur automatically and would require a separate regulatory action through the formal rulemaking process, including PTBC approval and public notice and comment. The PTBC looks forward to continuing to work with the Committees on this issue.

Sunset Recommendation: The PTBC's fee study is still under review.

2) *Issue #4: Automatic Denial of Reinstatement for Sexual Offenses*. The Physical Therapy Practice Act requires the PTBC to process all petitions for reinstatement through the full administrative hearing process, including petitioners whose licenses were revoked for acts of sexual abuse, sexual misconduct, or sexual exploitation.

   The PTBC notes that, even in cases where it is required to deny reinstatement, the petition must still move through the complete administrative process, including preparation by enforcement staff, review by legal counsel, and hearings before an administrative law judge. The PTBC states that this is an unnecessary use of state resources when petitions are legally prohibited from being granted. Therefore, it is requesting authority to do the following:

   a) Deny petitions for reinstatement at intake when the underlying revocation or surrender was based on sexual misconduct or sexual exploitation.

   b) Deny petitions for reinstatement when the petitioner is required to register under Penal Code § 290 and the conduct involved a patient or client.

   While these were the formal requests for purposes of the PTBC's *2025 Sunset Review Report*, PTBC staff notes there are still details that the full board did not have the opportunity to discuss.

   Staff Background Paper Recommendation: The PTBC should provide specific examples of the range of cases that fall under this category, discuss whether there is any risk to a licensee's right to due process, and continue to work with committee staff on the specifics of the language.

   PTBC Response:

   > The PTBC is prepared to provide additional examples of the types of cases it believes should fall within this proposal, including revocations or surrenders based on sexual misconduct or sexual exploitation involving a patient or client. In the last ten years, fifteen licenses were revoked or surrendered for cases that involved allegations of sexual misconduct (violation of Business and Professions Code section 726 and/or 2660(m)). The PTBC also clarifies that the Penal Code section 290 portion of the proposal would not expand the number of individuals denied licensure, as those applications must already be denied under existing law. Instead, it would align the reinstatement process with that existing requirement and avoid unnecessary expenditure of enforcement, legal, and administrative resources on petitions that cannot lawfully be granted.
   >
   > The PTBC agrees that due process considerations are important and that any proposed language should be narrowly tailored. The intent is to provide clear authority in limited circumstances, not to remove appropriate procedural safeguards. The PTBC will continue working with the Committees' staff on the specifics of the language to ensure the proposal is clearly defined, legally sound, and consistent with the PTBC's public protection mandate.

Sunset Recommendation: Amendment 2 on pages 9 and 10 of this analysis would include the PTBC's proposals in the list of conditions under which a petition for reinstatement are automatically denied.

3) *Issue #11: Sunset Extension*. The PTBC and its staff continue to work well with the Legislature in implementing its consumer protection mission. This is demonstrated by its implementation of prior committee recommendations, including the prudent maintenance of its fund and initiation of a fee study, its proactive efforts to identify gaps in consumer protection, and implementing various workflow efficiencies. While the outstanding issues noted in this background paper still need to be addressed, the PTBC and its staff have been communicating with the Committees on next steps.

   Staff Recommendation: The PTBC's current regulation of PTs and PTAs should be continued and reviewed again on a future date to be determined.

   PTBC Response: The PTBC is in agreement with the Committees' staff's recommendation that regulation of physical therapists and physical therapist assistants under the PTBC should be continued. The PTBC is grateful for the Committees' recognition of the work undertaken by the PTBC and its staff in furtherance of the PTBC's consumer protection mission, as well as their acknowledgment of the challenges that remain. The PTBC also appreciates the Committees' continued engagement and willingness to work collaboratively toward addressing outstanding issues.

   Sunset Recommendation: Amendment 3 on page 11 of this analysis would extend the PTBC by four years, until January 1, 2031.

AMENDMENTS:

1) *Technical Changes to Fee Provision*. To delete outdated fee provisions, amend the bill as follows:

   On page 2, after line 25, insert:

   2688. The amount of fees assessed in connection with licenses issued under this chapter is as follows:

   (a) (1) ~~The fee for an application for licensure as a physical therapist submitted to the board prior to March 1, 2009, shall be seventy-five dollars ($75). The fee for an application submitted under Section 2653 to the board prior to March 1, 2009, shall be one hundred twenty-five dollars ($125).~~

   ~~(2)~~ The fee for an application for licensure as a physical therapist ~~submitted to the board on or after March 1, 2009,~~ shall be one hundred twenty-five dollars ($125). The fee for an application submitted under Section 2653 to the board ~~on or after March 1, 2009,~~ shall be two hundred dollars ($200).

   ~~(3) Notwithstanding paragraphs (1) and (2), the~~ *(2) The* board may decrease or increase the amount of an application fee under this subdivision, but in no event shall the application fee amount exceed three hundred dollars ($300).

(b) The examination and reexamination fees for the physical therapist examination, physical therapist assistant examination, and the examination to demonstrate knowledge of the California rules and regulations related to the practice of physical therapy shall be the actual cost to the board of the development and writing of, or purchase of the examination, and grading of each written examination, plus the actual cost of administering each examination. The board, at its discretion, may require the licensure applicant to pay the fee for the examinations required by Section 2636 directly to the organization conducting the examination.

(c) (1) ~~The fee for a physical therapist license issued prior to March 1, 2009, shall be seventy-five dollars ($75).~~

~~(2)~~ The fee for a physical therapist license ~~issued on or after March 1, 2009,~~ shall be one hundred dollars ($100).

~~(3) Notwithstanding paragraphs (1) and (2), the~~ *(2) The* board may decrease or increase the amount of the fee under this subdivision, but in no event shall the fee to issue the license exceed one hundred fifty dollars ($150).

(d) (1) ~~The fee to renew a physical therapist license that expires prior to April 1, 2009, shall be one hundred fifty dollars ($150).~~

~~(2)~~ The fee to renew a physical therapist license ~~that expires on or after April 1, 2009,~~ shall be two hundred dollars ($200).

~~(3) Notwithstanding paragraphs (1) and (2), the~~ *(2) The* board may decrease or increase the amount of the renewal fee under this subdivision, but in no event shall the renewal fee amount exceed three hundred dollars ($300).

(e) (1) ~~The fee for application and for issuance of a physical therapist assistant license shall be seventy-five dollars ($75) for an application submitted to the board prior to March 1, 2009.~~

~~(2)~~ The fee for application and for issuance of a physical therapist assistant license shall be one hundred twenty-five dollars *($125)*. ~~($125) for an application submitted to the board on or after March 1, 2009.~~ The fee for an application submitted under Section 2653 ~~to the board on or after March 1, 2009,~~ shall be two hundred dollars ($200).

~~(3) Notwithstanding paragraphs (1) and (2), the~~ *(2) The* board may decrease or increase the amount of the fee under this subdivision, but in no event shall the application fee amount exceed three hundred dollars ($300).

(f) (1) ~~The fee to renew a physical therapist assistant license that expires prior to April 1, 2009, shall be one hundred fifty dollars ($150).~~

~~(2)~~ The fee to renew a physical therapist assistant license ~~that expires on or after April 1, 2009,~~ shall be two hundred dollars ($200).

~~(3) Notwithstanding paragraphs (1) and (2), the~~ *(2) The* board may decrease or increase the amount of the renewal fee under this subdivision, but in no event shall the renewal fee amount exceed three hundred dollars ($300).

(g) Notwithstanding Section 163.5, the delinquency fee shall be 50 percent of the renewal fee in effect.

(h) (1) The duplicate wall certificate fee shall be fifty dollars ($50). The duplicate renewal receipt fee amount shall be fifty dollars ($50).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of issuing duplicates, but in no event shall that fee exceed one hundred dollars ($100).

(i) (1) The endorsement or letter of good standing fee shall be sixty dollars ($60).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of issuing an endorsement or letter, but in no event shall the fee amount exceed one hundred dollars ($100).

2) *Automatic Denial of Reinstatement for Sexual Offenses*. To reduce unnecessary workload in cases where a petition for reinstatement will inevitably result in a denial, amend the bill as follows:

On page 2, after line 25, insert:

2661.7. (a) A person whose license has been revoked or suspended, or who has been placed on probation, may petition the board for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the following minimum periods has elapsed from the effective date of the decision ordering that disciplinary action:

(1) At least three years for reinstatement of a license or approval revoked for unprofessional conduct, except that the board may, for good cause shown, specify in a revocation order that a petition for reinstatement may be filed after two years.

(2) At least two years for early termination or one year for modification of a condition of probation of three years or more.

(3) At least one year for reinstatement of a license revoked for mental or physical illness, or for modification of a condition, or termination of probation of less than three years.

(b) The petition shall state any facts as may be required by the board. The petition shall be accompanied by at least two verified recommendations from physical therapists licensed by the board who have personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed.

(c) The petition may be heard by the board. The board may assign the petition to an administrative law judge designated in Section 11371 of the Government Code. After a hearing on the petition, the administrative law judge shall provide a proposed decision to the board that shall be acted upon in accordance with the Administrative Procedure Act.

(d) The board or the administrative law judge hearing the petition may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time the license was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued, as the board or the administrative law judge designated in Section 11371 of the Government Code finds necessary.

(e) The administrative law judge designated in Section 11371 of the Government Code when hearing a petition for reinstating a license, or modifying a penalty, may recommend the imposition of any terms and conditions deemed necessary.

(f) ~~No petition shall be considered while the~~ *The board shall not consider a petition under this section if any of the following apply:*

(1) The petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. ~~No petition shall be considered while there~~

(2) There is an accusation or petition to revoke probation pending against the petitioner.

(3) Subject to Section 480, the petitioner is convicted of a crime that would result in the automatic denial of an application for a license and either of the following conditions apply:

(A) The petitioner is required to register pursuant to Section 290 of the Penal Code. This subparagraph does not apply to a petitioner who is required to register solely because of a misdemeanor conviction under Section 314 of the Penal Code.

(B) The conduct underlying the conviction was a violation of subdivision (m) of Section 2660.

(g) The board may deny, without a hearing or argument, any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.

~~(g)~~ *(h)* Nothing in this section shall be deemed to alter Sections 822 and 823.

3) *Sunset Extension*. To extend the PTBC by four more years, amend the bill as follows:

On pages 1-2, lines 1-2 and 1-9:

SECTION 1. ~~It is the intent of the Legislature to evaluate the Physical Therapy Board of California through the joint legislative sunset review oversight process and to subsequently include in this bill recommendations produced through that process.~~

~~SEC. 2.~~ Section 2602 of the Business and Professions Code is amended to read:

2602. (a) The Physical Therapy Board of California shall enforce and administer this chapter.

(b) This section shall remain in effect only until January 1, ~~2027,~~ *2031,* and as of that date is repealed.

On page 2, after line 25:

2607.5. (a) The board may employ an executive officer exempt from the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code) and may also employ investigators, legal counsel, physical therapist consultants, and other assistance as it may deem necessary to carry out this chapter. The board may fix the compensation to be paid for services and may incur other expenses as it may deem necessary. Investigators employed by the board shall be provided special training in investigating physical therapy practice activities.

(b) The Attorney General shall act as legal counsel for the board for any judicial and administrative proceedings and their services shall be a charge against it.

(c) This section shall remain in effect only until January 1, ~~2027,~~ *2031,* and as of that date is repealed.

REGISTERED SUPPORT:

There is no support on file.

REGISTERED OPPOSITION:

There is no opposition on file.

Analysis Prepared by: Vincent Chee / B. & P. / (916) 319-3301

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS
Marc Berman, Chair
AB 2775 (Committee on Business and Professions) – As Introduced February 23, 2026

SUBJECT: State Board of Chiropractic Examiners: chiropractic corporations.

SUMMARY: States the intent of the legislature to evaluate the Board of Chiropractic Examiners (BCE) through the joint sunset review process and requires the BCE to distribute its annual directory to every licensed doctor of chiropractic (DC) rather than by mail, as specified.

EXISTING LAW:

1) Regulates the practice of chiropractic and establishes the BCE to administer and enforce the relevant laws and licensing requirements. (Business and Professions Code (BPC) §§ 1000-1058; Initiative Act entitled "An act prescribing the terms upon which licenses may be issued to practitioners of chiropractic, creating the State Board of Chiropractic Examiners and declaring its powers and duties, prescribing penalties for violation hereof, and repealing all acts and parts of acts inconsistent herewith," adopted by the electors November 7, 1922 (Chiropractic Initiative Act))

2) Requires the BCE to be reviewed as if the laws regulating the practice of chiropractic were scheduled to be repealed on January 1, 2027. (BPC § 1000(c))

3) Requires the BCE to submit a report to the appropriate fiscal and policy committees of the legislature that contains an update on the status of the BCE's license structure and whether the BCE needs to consider plans for restructuring its license fees. (BPC § 1006)

4) Establishes the types of licensing fees which the BCE is permitted to assess and the specified amounts. (BPC § 1006.5)

5) Permits state licensing boards to deny licensure to an applicant who has been subjected to formal discipline by another licensing board within the 7 years preceding the date of application, for conduct which would have been cause for discipline by the by board to which the application made, and which is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made. (BPC § 480(a))

6) Permits the Medical Board of California (MBC) to deny licensure to an applicant who has been subject to formal discipline by another licensing board at least 7 years preceding the application, if the disciplinary action was based on conduct which would have constituted sexual abuse, sexual misconduct, relations with a patient, or sexual exploitation. (BPC § 480(a)(2))

7) Specifies that it is unprofessional conduct and grounds for disciplinary action for a healthcare professional to knowingly present any false or fraudulent claim for the payment of a loss under a contract of insurance or knowingly prepare make or subscribe any writing, with intent to prepare or use the same. (BPC § 810(a))

8) Requires the BCE to revoke the license of any licensee, for a period of ten years, upon a second conviction for insurance fraud; specifies that after expiration of the ten-year period, a licensee can apply for license reinstatement. (BPC § 1003(b))

9) Requires the BCE and other boards to automatically revoke a license in cases where a licensee has been convicted of two insurance fraud convictions related to worker's compensation insurance or Medi-Cal. (BPC § 810(c)(2))

10) Requires the MBC to automatically revoke a license when a licensee has been convicted of a sex offense which requires registration as a sex offender. (BPC § 2232; Penal Code (PEN) § 290)

11) Requires the MBC to automatically suspend a license when a licensee has been convicted of a serious felony, as defined. (BPC § 2232.5(b)(3); PEN § 1192.7)

12) Establishes the procedures for interim suspension order hearings for California licensing boards. (BPC § 494)

13) States that in criminal proceedings against a licensee, the BCE and other boards may voluntarily appear to furnish pertinent information, make recommendations regarding specific conditions of probation, or provide any other assistance necessary to promote the interests of justice and protect the interests of the public, or may be ordered by the court to do so, if the crime charged is substantially related to the qualifications, functions, or duties of a licensee (PEN § 23)

14) Prohibits the practice veterinary medicine or any branch thereof, unless such person holds a valid, unexpired, and unrevoked license from the California Veterinary Medicine Board (CVMB). (BPC § 4825)

15) States that a person practices veterinary medicine or a branch thereof when the do any of the following: represents themself as engaged in the practice of veterinary medicine or any of its branches; diagnoses or prescribes a drug, or treatment for the prevention, cure, or relief of an animal ailment; administers a treatment or medicine for the prevention, cure, or relief of an animal ailment; performs a surgical or dental operation upon an animal; performs a tendonectomy, onychectomy, or any type of claw removal on a feline; performs any manual procedure for the diagnosis of pregnancy, sterility, or infertility upon livestock or Equidae; collects blood from an animal for the purpose of transferring or selling the blood to a licensed veterinarian at a registered premise; or uses any words, letters or titles as to induce the belief that the person using them was engaged in the practice of veterinary medicine. (BPC § 4826)

16) Requires the VMB to adopt regulations delineating animal health care tasks and an appropriate degree of supervision required for those tasks that may be performed solely by a registered veterinary technician (RVT) or licensed veterinarian. (BPC § 4836(a))

17) Defines "musculoskeletal manipulation (MSM)" as the system of application of mechanical forces applied manually through the hands or through any mechanical device to enhance physical performance, prevent, cure, or relieve impaired or altered function of related components of the musculoskeletal system of animals; specifies that the performance of MSM upon animals constitutes the practice of veterinary medicine; and authorizes DCs to

perform MSM under the direct supervision of a veterinarian, as specified. (California Code of Regulations, (CCR) tit. 16, § 2038)

FISCAL EFFECT: Unknown; this bill is keyed fiscal by the Legislative Counsel.

COMMENTS:

Purpose. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions and Economic Development hold joint sunset review oversight hearings to review the licensing boards under the Department of Consumer Affairs (DCA). The DCA boards are responsible for protecting consumers and the public and regulating the professionals they license. The sunset review process provides an opportunity for the Legislature, DCA, boards, and interested parties and stakeholders to discuss the performance of the boards and make recommendations for improvements.

Each board subject to review has an enacting statute that has a repeal date, which means each board requires an extension before the repeal date. This bill is one of the "sunset" bills that are intended to extend the repeal date of the boards undergoing sunset review, as well as include the recommendations from the sunset review oversight hearings. While the BCE cannot be repealed by the Legislature because it is established by initiative, this bill would extend the statutory review date.

This year, there are five sunset review bills authored by the Assembly Committee on Business and Professions and five sunset review bills authored by the Chair of the Senate Business, Professions and Economic Development Committee.

Background. The BCE's purpose is to protect Californians from both licensed and unlicensed individuals who engage in the fraudulent, negligent, or incompetent practice of chiropractic. Chiropractic is a healthcare discipline that emphasizes the body's ability to heal itself. The practice focuses on the interaction between the vertebral column and the nervous system and that relationship's impact on overall health. The primary treatment procedure is the chiropractic adjustment or spinal manipulative therapy, but other manual therapies are also utilized. Chiropractic also emphasizes lifestyle interventions like nutrition or exercise counseling.

The licensed practitioners of chiropractic are DCs. In alignment with the foundations of their practice, DCs are authorized to manipulate and adjust the spinal column and other joints of the human body and manipulate the related muscle and connective tissue during the course of those manipulations and adjustments. DCs may also use all necessary mechanical, hygienic and sanitary measures incident to the care of the human body during the course of chiropractic manipulations or adjustments.

The BCE was responsible for regulating approximately 10,700 DC licensees at the end of Fiscal Year (FY) 2024-25. In addition to licensing individual licensees, the BCE oversees 106 providers of chiropractic continuing education and 20 chiropractic programs throughout the United States and Canada. The BCE's mission statement, as stated in its *2026 Sunset Review Report*, is: "to protect the health, welfare, and safety of the public through licensure, education, engagement, and enforcement in chiropractic care." The BCE was last reviewed in 2021, and its last Sunset Review Report was completed in 2022.

Current Related Legislation. AB 2771 (Business and Professions) is the sunset review vehicle for the California Board of Private Postsecondary Education (BPPE). *AB 2771 is pending in this committee.*

AB 2772 (Business and Professions) is the sunset review vehicle for the California Council for Interior Design Certification (CCIDC). *AB 2772 is pending in this committee.*

AB 2773 (Business and Professions) is the sunset review vehicle for the California Board of Occupational Therapy (CBOT). *AB 2773 is pending in this committee.*

AB 2774 (Business and Professions) is the sunset review vehicle for the Physical Therapy Board of California (PTBC). *AB 2774 is pending in this committee.*

SB 1302 (Wahab) is the sunset review vehicle for the California Board of Registered Nursing (BRN). *SB 1302 is pending in the Senate.*

SB 1303 (Wahab) is the sunset review vehicle for the California Board of Naturopathic Medicine (CBNM). *SB 1303 is pending in the Senate.*

SB 1304 (Wahab) is the sunset review vehicle for the California Respiratory Care Board (RCB). *SB 1304 is pending in the Senate.*

SB 1363 (Wahab) is the sunset review vehicle for the California Board of Barbering and Cosmetology (BBC). *SB 1363 is pending in the Senate.*

SB 1368 (Wahab) is the sunset review vehicle for the California Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board (SLPAHADB). *SB 1368 is pending in the Senate.*

Prior Related Legislation. AB 1434 (Committee on Business and Professions), Chapter 623, Statutes of 2022, was the previous sunset bill for the BCE.

AB 1706 (Committee on Business and Professions), Chapter 454, Statutes of 2017, was a previous sunset bill for the BCE, the Speech-Language Pathology Audiology and Hearing Aid Dispensers Board, Physical Therapy Board of California, and California Board of Occupational Therapy.

SUNSET ISSUES FOR CONSIDERATION:

In preparation for the sunset hearings, committee staff publish background papers that identify outstanding issues relating to the entity being reviewed. The background paper is available on the Committee's website: https://abp.assembly.ca.gov/jointsunsethearings. The BCE provided formal responses to the issues and recommendations on April 17th, including recommended statutory revisions. While all of the issues identified in the background paper remain available for discussion, the following are currently being addressed in this bill or otherwise actively discussed:

1) *Issue #1: Budget and Fund Condition.* The BCE budget is funded primarily through the collection of licensing and other regulatory fees.[1] If the BCE's fee schedule, and the revenue

[1] For detailed budget and fee data, *see BCE*, *Sunset Review Report 2026*, at 24–25.

it generates from the fees it collects, is out of alignment with its operating costs, its budget will be structurally imbalanced. If the BCE's budget is structurally imbalanced, the BCE will begin to deplete its reverse funds. According to the BCE, for the past 2 years, its expenditures have outpaced its revenues. This issue of the BCE's imbalanced budget was previously raised by the BCE when it requested a fee increase during its 2022 sunset review.

Over the past 8 years, the BCE's fees have been statutorily increased twice. In 2018, the legislature increased the annual renewal fee for a DC license—the BCE's primary source of revenue from $300 to $313 and established fixed fee amounts for other services provided by the BCE. This fee increase went into effect on January 1, 2019.[2]

Most recently, following the BCE's last sunset review in 2022, the legislature increased the DC license renewal fee from $313 to $336, set a new statutory cap of $500 for DC license renewal fees, and adjusted other fixed fee amounts based on the findings and recommendations of a 2021 fee study.[3]

In 2022, the BCE stated that it determined this previous fee study and subsequent fee increase failed to account for a number of expenses incurred by the BCE, including: the personnel costs associated with restaffing vacant positions within the BCE; repayment of a 2.68 million dollar loan from the Bureau of Automotive Repair; the price of the Business Modernization IT Project; or the increase in legal fees for services provided by the state Attorney General's Office. These expenditures largely fall under the categories of operating and enforcement costs.

During FY 2021/22 to 2024/25 the BCE's reserve fund balance increased by 0.6 months. The BCE states that the fund increased due to staff vacancies, and fluctuations in enforcement costs. However, according to the BCE, because these vacant positions have started to be restaffed, and enforcement costs have been on the rise since FY 2023/24, the fund's recent trend towards insolvency will continue if fees remain at their current level. Without an increase in revenue, BCE is projected to have a 2.4-month reserve balance at the end of FY 2025/26 and a 2.3-month reserve balance by the end of FY 2026/27.

Despite the BCE's two recent fee increases in 2018 and 2022, the BCE states that its budget is still structurally imbalanced. The BCE's 2026 fiscal data shows a decline in fund reserves for FY 2024/25 and projects further declines for FY 2025/26 and FY 26/27.[4] Additionally, the board has projected that without a fee increase, the fund will become insolvent by the end of FY 2027/28. The BCE's fund reserve, (in months of reserve funding) was: 10.1 for FY 2023/24; 4.7 for FY 24/25; and 2.4 for FY 25/26. The BCE has proposed a new increase in fees as part of the 2026 sunset review process, stating that an adjustment to the fee schedule could help avoid further depletion of the BCE's reserve funds and possible insolvency.

Staff Recommendation from Background Paper: The BCE should continue to update the committees about whether the BCE believes it is necessary to raise fees for licensees in order to ensure the long-term stability of the BCE's fund.

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[2] SB 1480 (Hill) Chapter 571, Statutes of 2018.
[3] SB 1434 (Roth) Chapter 623, Statutes of 2022.
[4] BCE, *Sunset Review Report 2026*, at 10.

Board Response:

> The board believes it is necessary to revise the statutory fee schedule specified in BPC section 1006.5 as part of this current sunset review. Although the Legislature authorized fee increases in both 2018 and 2022, the board continues to face a structural imbalance between its revenues and expenditures due to limitations of the existing fee structure. Without corrective action, fund insolvency is anticipated in fiscal year 2028–29.
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> Prior fee adjustments relied on point-in-time cost estimates and did not account for long-term expenditure growth. As a result, these recent fee increases provided temporary relief but did not address the underlying issues with the board's fee structure. Additionally, nearly all of the board's licensing and regulatory fees, excluding the DC renewal and restoration fees, are at their statutory maximums, limiting the board's ability to respond to rising costs through the regulatory process.
>
> To ensure long-term fiscal stability, the board conducted an internal analysis using projected 2026–27 costs as a baseline for a 10-year expenditure model. Based on these findings, the board is proposing to update the minimum baseline fee amounts based on 2026–27 costs and creating new statutory maximums to account for 10 years of growth for all fee types. Establishing these new fee ranges will allow the board to make incremental, data-driven fee changes through regulation and minimize the need for future statutory increases.
>
> The board is also requesting statutory fee authority to support two new license types: a chiropractic facility permit, as discussed further under issue #2, and a temporary chiropractic license. In response to issue #6 from the board's 2022 sunset review, the board has developed a temporary licensure pathway modeled after the temporary practice provisions currently available to military spouses and domestic partners. This pathway is intended to facilitate timely entry into California practice while maintaining strong public protection safeguards. The proposed temporary license would include practice limitations and a patient notification requirement. Although the board initially planned to use existing fee authority to implement this new pathway, after further analysis, the board determined that explicit fee authority in BPC section 1006.5 is required to create this new license type.

Sunset Recommendation: Amendment 1 on page 20 would authorize the proposed fees for the issuance, renewal and replacement of the chiropractic facility permit. This amendment would also authorize the board to adopt fee amounts which are lower than the minimum amounts contained in the BCE's fee schedule if those amounts are sufficient to support the functions of the board.

The BCE submitted its board approved responses to the sunset questionnaire on April 17th and additional time is needed to review the remaining proposals under this issue.

2) *Issue #2: Fee Authority for Chiropractic Facility Permit.* The BCE currently requires licensees to obtain satellite certificates for every additional practice location that they operate, beyond their primary location of record. The purpose of the satellite certificate is to

ensure that the BCE has up to date information about where licensees are providing chiropractic services. The BCE states that the satellite certificate program has several limitations which could be remedied by phasing out the satellite certificate and replacing it with a chiropractic facility permit.

The first limitation of the satellite certificate is that it contains the physical address of a satellite practice, but not the name of the practice. According to the BCE, the satellite certificate's omission of the satellite practice's name makes it difficult for the BCE to quickly identify practice locations and prevents the public from being able to search for chiropractic practices through the BCE's online information system. Additionally, the BCE states that the satellite certificate creates costly administrative burdens for large corporations, which need a satellite certificate for each licensee at each practice location that they operate. Satellite certificates also only allow for one licensee per certificate, which creates problems in situations where two or more licensees are practicing at the same location.

The BCE has proposed the chiropractic facility permit as a replacement for the satellite certificate. The chiropractic facility permit is a location-based permit for fixed places of practice, which would include the business name and physical address of the practice, as well as the name and license number of each DC associated with the facility. According to the BCE, if created and implemented, the chiropractic facility permit would essentially phase out the satellite certificate, except in the case of sole practitioners, who maintain multiple office locations.

Staff Recommendation from Background Paper: The BCE should continue working with the legislature on a proposal to grant the BCE statutory authority to codify fees for chiropractic facility permit issuance and renewal.

Board Response:

> The board agrees with this recommendation and looks forward to working with the Committees on this issue."
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> Based on an analysis of the current licensee population, there are 7,045 active satellite certificates with 3,695 distinct practice locations. Of these, 2,548 locations are associated with one licensee, while 1,147 addresses are associated with multiple licensees.
>
> Shifting to a chiropractic facility permit and phasing out the use of satellite certificates would improve the accuracy and accessibility of information available to the public by enabling the board to link each practice location with its business name and all associated licensees. It would also significantly ease the administrative burden on licensees and the board by eliminating duplicative filings and reducing the overall number of secondary registrations by about 48 percent to 3,700 certificates or permits.
>
> For these reasons, the board respectfully requests the inclusion of statutory authority to establish, by regulation, a system for the issuance and renewal of a chiropractic facility permit, including authority to charge application, renewal, and replacement permit fees sufficient to cover the reasonable regulatory cost to

the board of administering this new permit system and not to exceed the costs associated with satellite certificates.

Sunset Recommendation: Amendment 2 on page 21 would authorize the BCE to promulgate regulations to establish a chiropractic facility permit program and assess associated fees.

3) *Issue #9: Denial of Licensure for Formal Discipline Involving Sexual Abuse or Misconduct.* The BCE currently lacks statutory authority to deny licensure to applicants who have been convicted of a crime or subjected to discipline by another licensing board, under certain circumstances. Under existing law, the BCE can deny licensure to an applicant who was subjected to formal discipline by another licensing board within 7 years of application for licensure by the BCE if the discipline was based on a violation that would be the basis for discipline by the BCE and the conduct which the discipline was based on was substantially related to the qualifications, functions, or duties of a BCE licensee.[5]

   The BCE asserts that it should be granted the authority to deny licensure to an applicant if they were subject to professional discipline for sexual misconduct that occurred at least 7 years prior to the date of application with the BCE, because sexual misconduct and abuse are serious ethical violations that should be evaluated during the licensure process, no matter when they occurred. The BCE's request is not unprecedented because the MBC already has the authority to deny licensure for applicants who were formally disciplined by another licensing board at least 7 years prior to the date of application for licensure by the MBC.[6]

   Staff Recommendation from Background Paper: The BCE should continue to work with the committees on a proposal for legislation to change BPC section 480(a)(2).

   Board Response:

   > As outlined during the board's testimony at the March 10, 2026 hearing, the board has found that the licensing reforms enacted by AB 2138 (Chiu, Chapter 995, Statutes of 2018), which were intended to reduce barriers to licensure for individuals with prior criminal convictions, have been effective in streamlining the board's background review process while preserving its authority to address recent convictions and professional discipline that are substantially related to the practice of chiropractic.
   >
   > However, during this sunset review period, the board denied two applications for licensure based on prior discipline involving acts of sexual abuse or misconduct with a patient. The board is concerned that BPC section 480, subdivision (a)(2) prevents the board from considering any formal discipline that occurred more than seven years before the date of the application. Without legislative action, applicants previously disciplined for sexual abuse or misconduct will eventually qualify for licensure without any requirement to demonstrate rehabilitation, and without any safeguards in place, such as a probationary license with appropriate conditions, because the current law only considers the amount of time since the discipline occurred.

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[5] BPC § 480(a).
[6] BPC § 480(a).

The board evaluated the changes made by AB 1636 (Alikah Weber, Chapter 453, Statutes of 2022), which granted an exception to the seven-year limitation in BPC section 480, subdivision (a)(2) for applicants for physician and surgeon licensure when the prior discipline was for conduct that, if committed in this state by a physician and surgeon, would have constituted an act of sexual abuse, misconduct, or relations with a patient pursuant to BPC section 726 or sexual exploitation as defined in BPC section 729, subdivision (a).

The board believes this same standard should apply to DCs, who, like physicians and surgeons, are licensed as primary-contact, portal-of-entry providers. Based on a representative sample of DCs from the board's most recent OA,[7] an estimated 66 percent of licensees primarily practice as sole practitioners, further underscoring the need for strong consumer protection in cases involving prior discipline for sexual abuse or misconduct.

A history of sexual abuse or misconduct is not a minor lapse in judgment but a profound violation of the doctor–patient relationship and an abuse of professional authority. The passage of seven years does not adequately ensure that an applicant is presently fit to practice chiropractic safely and ethically. In such cases, the board's focus is on the applicant's demonstration of rehabilitation—an active and measurable process reflecting accountability, behavioral change, and professional growth—regardless of the age of the prior discipline, when determining their present fitness to practice.

For these reasons, the board has developed a narrowly tailored proposal to include DCs in the exception to the seven-year limitation in BPC section 480, subdivision (a)(2) when the prior discipline was for conduct that would have constituted an act of sexual abuse, sexual misconduct, or sexual relations with a patient under BPC section 726.

Sunset Recommendation: Amendment 3 on pages 21-22 would authorize the BCE to consider an applicant's history of formal discipline, based on sexual abuse or misconduct, by other licensing boards which occurred at least 7 years prior to the date of application for licensure by the BCE.

4) *Issue #10: Enforcement Program Enhancement.* According to the BCE, the board has developed proposals for several changes to its enforcement program during the 2026 sunset review period. These proposed changes are aimed at increasing the efficiency of the BCE's internal processes and the strength of its consumer protection functions. In order to effectuate these proposed changes, the BCE has requested several amendments to the BPC. These proposed changes and corresponding requests for legislative amendments to the BPC include:

   a) *Issue #10(a): Automatic License Revocation for Second Insurance Fraud Conviction.* Currently, the BCE does not have the authority to automatically revoke a license in all cases where a licensee has been convicted of a second insurance fraud offense.

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[7] BCE, *Sunset Review Report 2026*, at Attachment C1.

Second Insurance Fraud Conviction. Under existing law, the BPC has the authority to discipline licensees for insurance fraud in the following circumstances. For the BCE and other boards, insurance fraud is considered grounds for disciplinary action, including license suspension and revocation, regardless of whether a licensee is convicted on a felony or not.[8] Additionally, the BCE shall revoke a license for a period of 10 years upon a licensee's conviction of their second insurance fraud-based felony.[9] However, to enforce a license revocation under either of these sections, the BCE must initiate and complete the standard disciplinary process. This process requires the BCE to file an accusation, schedule an administrative hearing, and complete the hearing process before it can enforce a mandatory license revocation.

The BCE can automatically revoke a license in cases where a licensee has been convicted of two insurance fraud offenses that are connected to worker's compensation insurance or Medi-Cal.[10] This section applies to the BCE, the Dental Board of California, the MBC, the California Board of Psychology, the California Board of Optometry, the California State Board of Pharmacy, and the Osteopathic Medical Board of California. Although the BCE, and other state licensing boards currently have the authority to take disciplinary action against licensees for insurance fraud offenses, in the circumstances mentioned above, no licensing boards currently have the authority to automatically revoke the license of a licensee who has been convicted of two insurance fraud-based felonies which are not connected to Medi-Cal or workers compensation insurance.

Sex Offense Conviction. Currently, the BCE does not have the authority to automatically revoke a license in cases where a licensee has been convicted of a felony which requires registration as a sex offender.

Under existing law, when a licensee is convicted of a crime that requires registration as a sex offender, the BCE must initiate and complete the standard disciplinary process. This process requires the BCE to file an accusation, schedule an administrative hearing, and complete the hearing process before it can enforce a mandatory license revocation. This process can take up to two years in some cases, and during this period, a licensee is allowed to continue practicing. The BCE has stated that its inability to automatically revoke licenses in cases of sex offense convictions prevents the board from fulfilling its consumer protection mandate and puts the public at risk of serious harm.

The authority requested here, by the BCE, is not unprecedented for other licensing boards. The MBC must revoke a license in cases where a licensee has been required to register as a sex offender.[11] This section also states that MBC licensees who have had their license revoked pursuant to this section can request a formal hearing on the matter. This section also states that in cases where a licensee's conviction is overturned on appeal, the revocation order shall automatically cease.

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[8] BPC § 810(a).
[9] BPC § 1003.
[10] BPC § 810.
[11] BPC § 2232.

Staff Recommendation from Background Paper: The BCE should continue to work with the committees on analyses of and proposals for the statutory amendments described above.

Board Response:

> As outlined above, the board is seeking four targeted enhancements to its enforcement authority. The board believes these changes will better protect consumers of chiropractic care, improve patient safety, maintain public trust in the board's oversight of the chiropractic profession, and significantly reduce timeframes and legal fees for imposing discipline and interim protection measures.
>
> During the last reporting period, the board had seven cases involving licensees who were subject to the mandatory minimum 10-year license revocation period specified in BPC section 1003 due to a second conviction of insurance fraud. Despite the fact that the law already prescribes a mandatory penalty and removal from practice for these convictions, the board lacks any statutory authority to automatically impose that revocation. As a result, on average, it took the board 617 days to impose a minimum 10-year license revocation or surrender from the conviction date, at an average cost to the board of $9,175 in legal fees per case. Granting the board the authority to automatically impose the 10-year license revocation under these circumstances would allow for administrative efficiency and significantly reduce the time and expense involved in carrying out these penalties.
>
> The board also had eight cases involving licensees who were convicted of serious sex offenses, including sexual battery, sexual penetration by means of fraudulent representation of professional purpose, aggravated sexual assault of a child, and possession of child pornography, many of which were committed in the course of chiropractic practice. In these cases, it took an average of 324 days for the board to impose a license revocation or surrender following conviction of these egregious crimes, and one case remains pending. Providing automatic revocation authority upon conviction of a sex offense would allow the board to immediately remove the licensee from practice and improve patient safety.

Sunset Recommendation: Due to time constraints, the proposal regarding the authority for automatic revocation for insurance fraud is still under review. Amendment 4 on pages 22-3 would authorize the BCE to automatically revoke the license of a licensee who has been convicted of a qualifying sex offense.

b) Issue #10(b): Automatic License Suspension for Conviction of Serious Felony. Currently, the BCE does not have the authority to automatically suspend a license in cases where a licensee has been convicted of a serious felony, which is defined as a felony that represents an immediate and significant threat to public safety.

Under existing law, when a licensee is convicted of a serious felony, the BCE must initiate and complete the standard disciplinary process. This process requires the BCE to file an accusation, schedule an administrative hearing, and complete the hearing process before it can enforce a mandatory license revocation. This process can take up to two years in some cases, and during this period, a licensee is allowed to continue practicing. The BCE has stated that its inability to automatically revoke licenses in cases of sex offense convictions prevents the board from fulfilling its consumer protection mandate and puts the public at risk of serious harm.

Some professional licensing boards in California have similar requirements to those requested by the BCE. The California State Bar requires automatic license suspension when an attorney is convicted of a crime of moral turpitude.[12] This suspension is enforced by the Supreme Court of California, which in its discretion may, decline to impose or set aside the suspension. Additionally, the MBC is required to automatically suspend a license in cases where a licensee is convicted of a serious felony.[13] The amendments requested by the BCE are similar in content and drafting to the regulations which apply to the MBC on this topic.[14]

Staff Recommendation from Background Paper: The BCE should continue to work with the committees on analyses of and proposals for the statutory amendments described above.

Board Response:

> During the last reporting period, the board had one case involving a 2024 conviction of attempted murder and aggravated mayhem, two serious felonies. As a result of the current criminal appeal and administrative disciplinary processes, that case remains pending with an expected disciplinary decision in summer 2026.
>
> To close this gap in the disciplinary process and eliminate the need for costly interim actions, the board respectfully requests that the Committees consider granting the following automatic license suspension authority in the board's sunset bill[.]

Sunset Recommendation: Amendment 4 on page 22-23 would also permit the BCE to automatically suspend the license of a licensee who has been convicted of a serious felony.

c) *Issue #10(c): Automatic Imposition of Chaperone Requirement for Pending Criminal or Administrative Proceedings Involving Sex Offense or Sexual Misconduct.* Currently the BCE does not have the authority to automatically impose chaperone requirements for pending criminal or administrative proceedings involving sex offenses or sexual misconduct.

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[12] BPC § 6102.
[13] BPC § 2232.5(b)(3).
[14] *See* BPC § 2232.5(b).

Under existing law, the BCE must obtain an interim suspension order (ISO) to impose a chaperone requirement on a licensee during disciplinary proceedings.[15] The typical ISO process requires the BCE to: file a petition with an administrative law judge which demonstrates that a licensee violated the BPC or committed a crime, and that permitting them to continue practicing without restriction would endanger the public health, safety, or welfare; provide notice to the licensee prior to the hearing; attend the hearing and present the case for the ISO to the administrative law judge; and if the ISO is granted, file an accusation against the licensee within 15 days of the issuance of the ISO.

There are no state licensing boards which currently have the authority to automatically impose a chaperone requirement for pending sex offense proceedings. BPC § 494 applies to all California licensing boards, and exempting the BCE from its requirements would mark an unprecedented departure from existing law.

Staff Recommendation from Background Paper: The BCE should continue to work with the committees on analyses of and proposals for the statutory amendments described above.

Board Response:

> As detailed above, the existing methods for pursuing interim practice restrictions through ISOs or court-ordered practice restrictions under PEN § 23 are often difficult to pursue in cases involving criminal or administrative proceedings related to a sex offense or sexual misconduct. These existing processes can jeopardize the outcome of criminal prosecutions and administrative cases, retraumatize victims, and produce inconsistent outcomes that leave patients unprotected.
>
> To provide a consistent layer of public protection in all pending criminal or administrative proceedings involving sex offenses or sexual misconduct, the board is seeking statutory authority to automatically impose a chaperone requirement when a licensee has been criminally charged with a sex offense or when the board has filed an accusation against a licensee alleging sexual abuse, misconduct, or relations with a patient in violation of BPC section 726.
>
> Of the board's 31 pending administrative cases where accusations have been filed, 14 of those cases, or approximately 45 percent, involve sexual misconduct allegations that would qualify for this automatic chaperone provision. As noted above, approximately two-thirds of California DCs practice as sole practitioners, so this authority is essential to providing consistent protection during these pending proceedings.

Sunset Recommendation: The BCE submitted its responses to the sunset questionnaire on April 17th. Due to time constraints, committee staff were not able to fully analyze this issue. As a result, further discussion on this topic is recommended. These discussions will

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[15] BPC § 494.

allow the BCE and the committee to further develop these proposed amendments and discuss their potential impact with stakeholders.

5) *Issue #12: Animal Chiropractic.* Over the last few decades, the role of licensed healthcare providers who seek to adapt their training and education for use along the veterinary care continuum has been under consideration by BCE and the Legislature. Throughout this time, the topic has been contemplated via legislative efforts, raised in staff background papers and in hearings during the sunset review oversight process for the CVMB and other licensing boards, and discussed at regulatory board meetings.

   California Laws Regarding DCs Providing Animal Chiropractic. Currently, there are no statutes that specifically address animal chiropractic or other practices adapted for use in veterinary medicine. The Chiropractic Initiative Act is silent on the use of chiropractic on animal patients,[16] while the Veterinary Medicine Practice Act outright prohibits the practice of any aspect of veterinary medicine unless provided by a licensed veterinarian, a registered veterinary technician (RVT), or an unlicensed veterinary assistant under supervision.[17]

   The Veterinary Act authorizes veterinarians to provide animal chiropractic because a veterinarian's license is a plenary license, meaning it grants a veterinarian authority to practice any aspect of veterinary medicine that the veterinarian is competent to provide. While a veterinarian may choose to specialize in a practice area such as surgery, pathology, or rehabilitation, or treat a subset of animal populations like equine and large animals, the veterinary license does not require the attainment of any specialty license to practice within the full scope of veterinary medicine. Licensed veterinarians may also acquire additional certifications focusing on treatment modalities such as animal chiropractic care. On the other hand, there is no lawful avenue for veterinarians to practice on or treat human conditions based on any additional certifications specific to veterinarians.

   The Veterinary Act does provide a handful of exemptions to the licensure requirement, such as for owners of animals, gratuitous care, or animal shelters. However, none are applicable to DCs providing animal chiropractic in a healthcare business setting.

   Like the Chiropractic Act, the BCE's regulations do not contemplate the use of chiropractic on animals, specifically limiting the DC scope to "the human body." However, since 1998, the CVMB's regulations have specifically authorized DCs to provide musculoskeletal manipulation (MSM) services to animal patients under the direct supervision of, and within the licensed veterinary premises of, a veterinarian who authorizes that treatment or care.[18]

   The regulations define MSM as:

   > "… the system of application of mechanical forces applied manually through the hands or through any mechanical device to enhance physical performance, prevent, cure, or relieve impaired or altered function of related components of the musculoskeletal system of

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[16] Chiropractic Act § 7; see also *People v. Fowler* (1938) 32 Cal.App.2d Supp. 737, 746–747.
[17] BPC §§ 4825, 4826, 4836.
[18] Title 16, California Code of Regulations, § 2038.

animals. MSM when performed upon animals constitutes the practice of veterinary medicine."[19]

This regulation authorizes licensed DCs to perform MSM on animals while working under the direct supervision of a veterinarian with the following protocol:

1) The supervising veterinarian must complete the following, prior to authorizing a DC to complete an initial examination or perform treatment:

   a) Examine the animal patient;

   b) Have sufficient knowledge to make a diagnosis of the animal's medical condition;

   c) Assume responsibility for making clinical judgments regarding the animal's health and need for medical treatment, including a determination that MSM will not be harmful to the animal patient;

   d) Discuss with the owner or their authorized representative a course of treatment, and be readily available or have made arrangements for follow-up evaluation in the event of adverse reactions or failure of the treatment regimen; and

   e) Obtain a signed acknowledgement from the owner or their authorized representative that MSM is considered to be an alternative (nonstandard) veterinary therapy.

2) After the DC has completed an initial examination or treatment, the doctor of chiropractic must consult with the supervising veterinarian to confirm that MSM is appropriate and to coordinate complementary treatment.

3) At the time a DC is performing MSM, the supervising veterinarian must be on the premises in an animal hospital setting or in the general vicinity of the treatment area in a range setting.

4) The supervising veterinarian must ensure that accurate and complete records of MSM treatments are maintained in the animal patient's veterinary medical record.

DCs who fail to comply with the provisions of the regulations are considered to be engaged in the unlicensed practice of veterinary medicine and are subject to a citation and fine by CVMB or criminal prosecution. However, outside of the enforcement actions, the total number of DCs who provide MSM treatments to animal patients is unknown because they are not required to report to either the BCE or the CVMB.

Animal Chiropractic in Other States. The adapted practices of licensed human healthcare professionals in animal care is regulated in varying degrees by other states as well:

1) Direct Access

[19] *Ibid*.

a) Arkansas exempts DCs certified by the American Veterinary Chiropractic Association (AVCA), or its equivalent, from the Veterinary Medical Practice Act and may perform animal chiropractic.

b) Colorado authorizes unsupervised chiropractic on fully awake dogs and equids if the DC registers with the chiropractic board, completes a 210-hour educational program with a proficiency evaluation, complete a one-hour jurisprudence course on notification requirements for identification of contagious, infectious, and zoonotic diseases and an eight-hour course that covers recognition of early indicators and clinical signs of specified diseases in dog and equid patients, and complete 20 hours of CE per licensing period on the diagnosis and treatment of animals, including a two-hour course on contagious, infectious, and zoonotic diseases in Colorado and in other locations that might affect the licensee's animal patients. A DC who is not registered under may only perform animal chiropractic under the direct, on-premises supervision of a licensed veterinarian. Additionally, a licensee who provides animal chiropractic diagnosis and treatment in the same facility where human patients are treated must maintain a separate, noncarpeted room for the purpose of adjusting animals and cannot use the same table and equipment for animals and human patients.

c) New Hampshire passed in 2025 a bill similar to a previously vetoed bill exempting DCs completing a nationally recognized animal chiropractic program from veterinary licensure.

d) Ohio authorizes a DC who is certified by the AVCA, the International Veterinary Chiropractic Association (IVCA), or the College of Animal Chiropractors (CoAC) and registered with the chiropractic board as an "animal chiropractic practitioner" to practice animal chiropractic or represent themselves as an animal chiropractic practitioner. A DC who is not registered may only assist a veterinarian as an "allied medical support individual" under their direct supervision.

e) Oklahoma authorizes a DC to engage in the independent practice of animal chiropractic if certified by the chiropractic board. The DC may provide chiropractic treatment to an animal without being certified in animal chiropractic if the animal has been referred to the licensee in writing by a veterinarian. To be eligible for certification, a licensee must complete at least 210 hours of education and training in animal chiropractic diagnosis and treatment and at least 20 hours of AVCA CE per three-year licensing period.

f) Tennessee exempts animal chiropractic from the definition of veterinary medicine if the DC meets the chiropractic board educational standards, which includes AVCA or similar certification.

g) Utah exempts DCs who have been certified by the AVCA, or another substantially equivalent course, from the Veterinary Practice Act.

2) Conditional Access

a) Minnesota authorizes a DC to perform animal chiropractic if registered with the chiropractic board and upon a formal referral from the animal's veterinarian.

b) Nebraska has one of the most comprehensive regulatory schemes for translational practice. It requires DCs as well as other similarly situated professions, such as physical therapists and acupuncturists, to meet specified education, training, and assessment requirements and obtain an animal therapist license. The owner of the animal must also present a prior letter of referral from a veterinarian that includes a veterinary medical diagnosis and evaluation within the preceding 90 days before the licensed animal therapist can treat the animal. Additionally, the licensed animal therapist must provide monthly reports to the referring veterinarian.

c) Oregon authorizes animal chiropractic upon a formal referral or clearance from a veterinarian prior to treatment.

d) Kentucky in 2025, like Nebraska, created a multi-disciplinary "allied animal health professional" license under the veterinary board that authorizes animal chiropractic and other adapted practices. For DCs, this requires AVCA or IVCA certification and that the DC communicates their clinical findings to the patient's veterinarian within three days.

3) Supervised Access

a) Alabama treats DCs as an unlicensed veterinary assistant; veterinarians must establish veterinarian-client-patient-relationship and directly supervise.

b) Alaska treats DCs as an unlicensed veterinary assistant; veterinarians must establish veterinarian-client-patient-relationship and directly supervise.

c) Georgia treats DCs as an unlicensed veterinary assistant; veterinarian must be on premises and assume liability.

d) Illinois provides no independent scope, manipulation is regulated under direct supervision under the veterinary practice act.

e) Indiana uses a delegation and direct, onsite supervision model.

f) Louisiana treats DCs as a veterinary assistant; veterinarian must establish veterinarian-client-patient-relationship and directly supervise.

g) New Mexico requires the physical presence and oversight of a licensed veterinarian.

h) Pennsylvania does not recognize animal chiropractic, must occur under veterinary delegation.

i) South Carolina treats DCs as a veterinary assistant; a veterinarian must establish veterinarian-client-patient-relationship and directly supervise.

j) Texas authorizes DC to provide “alternative therapy”, but veterinarian must establish veterinarian-client-patient-relationship.

4) No Authority

a) New York actively prohibits DCs from practicing on animals. A veterinarian cannot delegate to or supervise a DC.

Current Issues. The issue of non-veterinarian practices adapted for use on animals has been brought up in the context of other professions, and the tension typically focuses on the level of supervision required of the non-veterinarian. One proposed framework designed to settle that tension attempts to split the difference by strengthening the front-end requirements and allowing the supervising veterinarian to determine the level of supervision. This provider-extender framework is loosely based on the physician-physician assistant delegation model. In that model, the supervising provider determines what services and under what circumstances the supervised provider is authorized to provide.

The following are key components of that model:

1) Define the practice.

2) Require the relevant human healthcare license and standardized education, training, and continuing education in the adapted animal practice.

3) Require veterinarian-determined supervision. If no determination is made, the default direct supervision.

4) Consideration of animal-specific differences.

5) Delineate the disciplinary roles of the CVMB and the relevant board of the adapted practice. Specifically, the CVMB maintains primary jurisdiction over veterinary practices and the original board maintains secondary and cross-cutting jurisdiction.

6) Require the adapted practitioner to register with the CVMB.

7) Require the supervising veterinarian to examine the animal and establish a veterinarian-client-patient relationship.

8) Require standard consumer disclosures.

9) Establish premises, safety protocol, and inspection requirements.

10) Clarify that the liability for services lies with the treating provider.

11) Protect titles as necessary.

12) Authorize fees.

Staff Recommendation from Background Paper: The BCE should advise the committees on the number of licensees who may provide services to animal patients with or without advanced certification. The BCE should advise the committees on its enforcement authority of DCs for unprofessional conduct on an animal patient. The BCE should advise the committees on the limits, if any, in the practice act to authorize the treatment of animal patients.

Board Response:

> "The board has identified 41 California DCs who currently possess active certification in animal chiropractic. Of these DCs, 28 are certified through AVCA, 10 are certified through IVCA, and three are certified through both organizations.
>
> According to the National Board of Chiropractic Examiners' *Practice Analysis of Chiropractic 2025*, approximately six percent of DCs report treating animals on a daily, weekly, or monthly basis. Assuming this percentage is reasonably representative of California licensees, the board estimates approximately 500 to 600 California DCs currently provide some level of service to animal patients.
>
> Existing law provides the board with broad authority to regulate and enforce the conduct of its licensees. Although complaints or disciplinary matters involving animal patients are very rare, the board can address such issues through its existing enforcement authority and regulations regarding unprofessional conduct, gross negligence, incompetence, the scope of practice, informed consent, record keeping, and false advertising.
>
> As described above, the Chiropractic Initiative Act is silent on the practice of chiropractic involving animal patients, and the board's chiropractic scope of practice regulation, CCR, title 16, section 302, specifically refers to the "human body." The board recognizes that animal chiropractic is a distinct complementary and alternative therapy, separate from traditional veterinary medicine. The board is committed to working collaboratively with the committees and the Veterinary Medical Board on a regulatory framework that best serves animal patients."

Sunset Recommendation: The BCE submitted its responses to the sunset questionnaire on April 17th. Due to time constraints, committee staff were not able to fully analyze this issue. Additionally, there is still significant stakeholder disagreement on this issue. As a result, further discussion on this topic is recommended.

6) *Issue #14: Sunset Review Extension*. The BCE is currently set to be reviewed as if it were scheduled to be repealed on January 1, 2027. The committees conducted an oversight hearing of the BCE in March of 2026.

   Staff Recommendation from Background Paper: The BCE's regulation of chiropractic should be continued and reviewed again on a future date to be determined.

   Board Response: "The board agrees with the recommendation and thanks the committees and their staff for this review."

   Sunset Recommendation: Amendment 5 on page 24 would extend the BCE oversight review date. Accordingly, this bill will require the BCE to be subject to policy committee review by January 1, 2031.

AMENDMENTS:

1) *Issue #1: Budget and Fund Condition.* To change the fee amounts for satellite certificate penalties and authorize the BCE to lower fee amounts at its discretion, amend the bill as follows:

On page 3, after line 11, insert:

1006.5. *(a)* Notwithstanding any other law, the amount of regulatory fees necessary to carry out the responsibilities required by the Chiropractic Initiative Act and this chapter are, unless a lower fee is adopted by the board by regulation, fixed in the following schedule:

~~(a)~~ *(1)* Fee to apply for a license to practice chiropractic: three hundred forty-five dollars ($345).

~~(b)~~ *(2)* Fee for initial license to practice chiropractic: one hundred thirty-seven dollars ($137).

~~(c)~~ *(3)* The fee to renew an active or inactive license to practice chiropractic shall be three hundred thirty-six dollars ($336) and may be increased to not more than five hundred dollars ($500) and, if a lower fee is fixed by the board, shall be an amount sufficient to support the functions of the board in the administration of the Chiropractic Initiative Act and this chapter.

~~(d)~~ *(4)* Fee to apply for approval as a continuing education provider: two hundred ninety-one dollars ($291).

~~(e)~~ *(5)* Biennial continuing education provider renewal fee: one hundred eighteen dollars ($118).

~~(f)~~ *(6)* Fee to apply for approval of a continuing education course: one hundred sixteen dollars ($116) per hour of instruction.

~~(g)~~ *(7)* Fee to apply for a satellite office certificate: sixty-nine dollars ($69).

~~(h)~~ *(8)* Fee to renew a satellite office certificate: fifty dollars ($50).

~~(i)~~ *(9)* Fee to apply for a license to practice chiropractic pursuant to Section 9 of the Chiropractic Initiative Act: two hundred eighty-three dollars ($283).

~~(j)~~ *(10)* Fee to apply for a certificate of registration of a chiropractic corporation: one hundred seventy-one dollars ($171).

~~(k)~~ *(11)* Fee to renew a certificate of registration of a chiropractic corporation: sixty-two dollars ($62).

~~(l)~~ *(12)* Fee to file a chiropractic corporation special report: ninety-eight dollars ($98).

~~(m)~~ *(13)* Fee to apply for approval as a referral service: two hundred seventy-nine dollars ($279).

~~(n)~~ *(14)* Fee for an endorsed verification of licensure: eighty-three dollars ($83).

~~(o)~~ *(15)* Fee for replacement of a lost or destroyed license: seventy-one dollars ($71).

~~(p)~~ *(16)* Fee for replacement of a satellite office certificate: seventy-one dollars ($71).

~~(q)~~ *(17)* Fee for replacement of a certificate of registration of a chiropractic corporation: seventy dollars ($70).

~~(r)~~ *(18)* Fee to restore a forfeited or canceled license to practice chiropractic: double the annual renewal fee specified in subdivision (c).

~~(s)~~ *(19)* Fee to apply for approval to serve as a preceptor: seventy-two dollars ($72).

(20) The penalty fees for the delinquent renewal of a satellite office certificate, certificate of registration of a chiropractic corporation, or continuing education provider status shall be set by the board in accordance with section 163.5 of the Business and Professions Code

~~(t)~~ *(21)* Fee to petition for reinstatement of a revoked license: four thousand one hundred eighty-five dollars ($4,185).

~~(u)~~ *(22)* Fee to petition for early termination of probation: three thousand one hundred ninety-five dollars ($3,195).

~~(v)~~ *(23)* Fee to petition for reduction of penalty: three thousand one hundred ninety-five dollars ($3,195).

(b) If a lower fee than the minimum specified in subdivision (a) is adopted by the board by regulation, it shall be an amount sufficient to support the functions of the board in the administration of the Chiropractic Initiative Act and this chapter.

2) *Issue #2: Fee Authority for Chiropractic Facility Permit.* To grant the BCE authority to promulgate regulations and assess fees connected to the chiropractic facility permit, amend the bill as follows:

   On page 3, after subdivision (b) of the previous amendment:

   (c) The board may establish, by regulation, a system for the issuance and renewal of a chiropractic facility permit. The board may charge application, renewal, and replacement permit fees in an amount sufficient to cover the reasonable regulatory cost to the board to administer this permit system and not to exceed the limits specified for a satellite office certificate in subdivision (a)(7), (8), (16), and (20).

3) *Issue #9: Denial of Licensure for Formal Discipline Involving Sexual Abuse or Misconduct.* To permit the BCE to deny licensure to applicants who have been formally disciplined by another licensing board, the discipline was based on sexual misconduct or abuse, and the discipline occurred at least 7 years before the application to the BCE, amend the bill as follows:

On page 2, lines 1-4:

SECTION 1.~~It is the intent of the Legislature to evaluate the State Board of Chiropractic Examiners through the joint legislative sunset review oversight process and to subsequently effectuate any recommendations through that process.~~ *Section 480 of the Business and Professions Code is amended to read:*

480. (a) Notwithstanding any other provision of this code, a board may deny a license regulated by this code on the grounds that the applicant has been convicted of a crime or has been subject to formal discipline only if either of the following conditions are met:

[No changes to paragraph (1)]

(2) The applicant has been subjected to formal discipline by a licensing board in or outside California within the preceding seven years from the date of application based on professional misconduct that would have been cause for discipline before the board for which the present application is made and that is substantially related to the qualifications, functions, or duties of the business or profession for which the present application is made. However, prior disciplinary action by a licensing board within the preceding seven years shall not be the basis for denial of a license if the basis for that disciplinary action was a conviction that has been dismissed pursuant to Section 1203.4, 1203.4a, 1203.41, 1203.42, or 1203.425 of the Penal Code or a comparable dismissal or expungement. Formal discipline that occurred earlier than seven years preceding the date of application may be grounds for denial of a license only if the formal discipline was for conduct ~~that, if committed in this state by a physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2,~~ *that* would have constituted an act of sexual abuse, misconduct, or relations with a patient pursuant to Section 726 or sexual exploitation as defined in subdivision (a) of Section ~~729.~~ *729, as applicable, if committed in this state by any of the following:*

(A) A physician and surgeon licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2.

(B) A chiropractor licensed pursuant to the Chiropractic Initiative Act and Chapter 2 (commencing with Section 1000) of Division 2.

[No changes to the rest of § 480]

4) *Issue #10: Enforcement Program Enhancement*. To authorize the BCE to automatically suspend and revoke licenses under certain circumstances, amend the bill as follows:

On page 3, after line 11, insert:

1008. *(a) Except as otherwise provided in subdivision (b), the board or its designee may automatically revoke a license to practice chiropractic under either of the following circumstances:*

(1) The licensee has been convicted in any court in or outside of this state of any offense that, if committed or attempted in this state, based on the elements of the convicted

offense, would have been punishable as one or more of the offenses described in subdivision (c) of Section 290 of the Penal Code.

(2) The licensee is required to register as a sex offender pursuant to the provisions of Section 290 of the Penal Code.

(b) This section shall not apply to a person who is required to register as a sex offender pursuant to Section 290 of the Penal Code solely because of a misdemeanor conviction under Section 314 of the Penal Code.

(c) The licensee may request a hearing within 30 days of the automatic revocation order. The proceeding shall be conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section. The record of conviction shall be conclusive evidence of the fact that the conviction occurred.

(e) If the related conviction of the licensee is overturned on appeal, the revocation ordered pursuant to this section shall automatically cease. The licensee shall provide the board with certified court records or other satisfactory proof establishing that the conviction has been overturned, and the board shall not be required to take action to restore the license until such proof is received. Nothing in this subdivision shall prohibit the board from pursuing disciplinary action against the licensee based on any cause other than the overturned conviction, including, but not limited to, the underlying conduct alleged in the criminal case.

1009. *(a) The board or its designee may automatically suspend a license to practice chiropractic following a conviction of a serious felony, as defined in Section 1192.7 of the Penal Code, by a licensee.*

(b) The suspension may remain in effect until the time for appeal has elapsed if no appeal has been taken, or until judgment of conviction has been affirmed on appeal, or has otherwise become final, and until the further order of the board.

(c) The licensee may request a hearing within 30 days of the automatic suspension order. The proceeding shall be conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(d) If the related conviction of the licensee is overturned on appeal, any suspension order issued pursuant to this section shall be rescinded by the board. The licensee shall provide the board with certified court records or other satisfactory proof establishing that the conviction has been overturned, and the board shall not be required to take action to restore the license until such proof is received. Nothing in this subdivision shall prohibit

the board from pursuing disciplinary action against the licensee based on any cause other than the overturned conviction, including, but not limited to, the underlying conduct alleged in the criminal case.

5) *Issue #14: Legislative Oversight Review Extension for the BCE*. To extend the review period for the BCE by four years, and to clarify references to the Chiropractic Initiative Act, amend the bill as follows:

On page 2, between lines 4 and 5:

1000. (a) The law governing practitioners of chiropractic is found in an initiative act entitled "An act prescribing the terms upon which licenses may be issued to practitioners of chiropractic, creating the State Board of Chiropractic Examiners and declaring its powers and duties, prescribing penalties for violation hereof, and repealing all acts and parts of acts inconsistent herewith," adopted by the electors November 7, ~~1922.~~ *1922, which may be cited as the Chiropractic Initiative Act*.

(b) The State Board of Chiropractic Examiners is within the Department of Consumer Affairs.

(c) Notwithstanding any other law, the powers and duties of the State Board of Chiropractic Examiners, as set forth in this article and under the act creating the board, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, ~~2027.~~ *2031.*

REGISTERED SUPPORT:

There is no support on file.

REGISTERED OPPOSITION:

There is no opposition on file.

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