CALIFORNIA BOARD OF BARBERING AND COSMETOLOGY



APRIL 10, 2023

LEGISLATIVE AND BUDGET COMMITTEE

PUBLIC TELECONFERENCE



CALIFORNIA BOARD OF BARBERING AND COSMETOLOGY



MEMBERS OF THE COMMITTEE Reese Isbell, Chair Megan Ellis Colette Kavanaugh Calimay Pham

LEGISLATIVE AND BUDGET COMMITTEE MEETING

PUBLIC TELECONFERENCE MEETING April 10, 2023 9:00 AM - Until Completion of Business

Action may be taken on any item listed on the agenda.

The Board may take action on any agenda item.

NOTE: Pursuant to Government Code section 11133, neither a public location nor teleconference locations are provided. Public participation may be through teleconferencing as provided below.

Important Notices to the Public: The Board of Barbering and Cosmetology will hold a public meeting via a WebEx Events. To participate in the WebEx Events meeting, please log on to this website the day of the meeting:

https://dca-meetings.webex.com/dca-meetings/j.php?MTID=m82626a1ede9177462bfc02a1e735bb56

Webinar number: 2485 114 5814 Webinar password: BBC04102023

Instructions to connect to the meeting can be found at:

https://www.barbercosmo.ca.gov/about us/meetings/how to join webex event.pdf

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

In order to ensure all public members have an opportunity to speak and in the interest of time, public comments will be limited to two minutes unless, in the discretion of the committee, circumstances require a shorter period or longer period; members of the public will not be permitted to "yield" their allotted time to other members of the public to make comments.

As an alternative, members of the public who wish to observe the meeting without making public comment can do so (provided no unforeseen technical difficulties) at https://thedcapage.wordpress.com/webcasts/.

AGENDA

- 1. Call to Order/Roll Call/Establishment of Quorum
- 2. Discussion and Possible Approval of the March 13, 2023, Committee Meeting Minutes
- 3. Discussion and Possible Recommendations Regarding Proposed Bills:
 - a. AB 1328 (Gipson) Cosmetology Licensure Compact
 - b. SB 247 (Wilk) Alcoholic beverages: licensing exemptions: barbering and cosmetology services
 - c. SB 384 (Bradford) Barbering and Cosmetology
 - d. SB 451 (Nguyen) Worker classification: employees and independent contractors: licensed manicurists
 - e. SB 544 (Laird) Bagley-Keene Open Meeting Act: teleconferencing
 - f. SB 817 (Roth) Barbering and cosmetology: application, examination, and licensing fees
- 4. Public Comment on Items Not on the Agenda Note: The Committee may not discuss or take any action on any item raised during this public comment section, except to decide whether to place the matter on the agenda of a future meeting (Government Code Sections 11125, 1125.7(a))
- 5. Suggestions for Future Agenda Items
- 6. Adjournment

The time and order of agenda items are subject to change at the discretion of the Committee Chair and may be taken out of order. In accordance with the Bagley-Keene Open Meeting Act, all meetings of the Committee are open to the public.

*Government Code section 11125.7 provides the opportunity for the public to address each agenda item during discussion or consideration by the Committee prior to the Committee taking any action on said item. Members of the public will be provided appropriate opportunities to comment on any issue before the Committee, but the Committee Chair may, at his or her discretion, apportion available time among those who wish to speak. Individuals may appear before the Committee to discuss items not on the agenda; however, the Committee can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).

The meeting is being held via Webex Events. The meeting is accessible to the physically disabled. A person who needs disability-related accommodation or modification in order to participate in the meeting may make a request by contacting: Natalie Mitchell at (916) 244-6644, email: natalie.mitchell@dca.ca.gov or send a written request to the Board of Barbering and Cosmetology, PO Box 944226, Sacramento, CA 94244. Providing your request is a least five (5) business days before the meeting will help to ensure availability of the requested accommodations. TDD Line: (916) 322-1700.

Agenda Item No. 1 No Attachments

DRAFT

CALIFORNIA STATE BOARD OF BARBERING AND COSMETOLOGY

LEGISLATIVE AND BUDGET COMMITTEE MEETING

MINUTES OF MARCH 13, 2023

BOARD MEMBERS PRESENT

Reese Isbell, Chair Megan Ellis Colette Kavanaugh Calimay Pham

STAFF MEMBERS PRESENT

Kristy Underwood, Executive Officer Carrie Harris, Deputy Executive Officer Alex Torkelson, Licensing and Admin Chief Sabina Knight, Board Attorney Allison Lee, Board Project Manager Natalie Mitchell, Board Analyst Shelby Edmiston, HR Liasion/Presenter

1. AGENDA ITEM #1, CALL TO ORDER/ROLL CALL/ESTABLISHMENT OF QUORUM

Reese Isbell, Committee Chair, called the meeting to order at approximately 11:05 am and confirmed the presence of a quorum.

2. AGENDA ITEM #2, DISCUSSION AND POSSIBLE APPROVAL OF THE FEBRUARY 13, 2023, COMMITTEE MEETING MINUTES.

Chair Isbell noted that the word "admitted" in paragraph two under the Committee Chair's Opening Remarks sounded too strong and proposed changing it to "felt."

Motion: Ms. Pham moved to approve the February 13, 2023, Committee Meeting Minutes with the amendment of changing "admitted" to "felt." Ms. Kavanaugh seconded.

No comments were received from the public.

Motion to approve February 13, 2023, Committee Meeting Minutes as amended carried; 4 yes, 0 no, and 0 abstain, per roll call vote as follows:

The committee members voted "Yes": Reese Isbell, Megan Ellis, Colette Kavanaugh, Calimay Pham.

3. AGENDA ITEM #3, DISCUSSION AND REVIEW OF THE CURRENT BUDGET FY 22/23.

Ms. Underwood noted that two items had been provided to the Committee. The internal budget projections showed the Board's allotment, projected expenditures, and end-of-year balance. She mentioned that there are currently a lot of salary savings because of the vacant positions yet to be filled.

The second item was the fund condition. Ms. Underwood noted that the fund condition shown was the same thing published in the Governor's budget. This data also showed the months in reserve. Ms. Underwood further noted that the budget is healthy and can support the Board's operations.

No comments were received from the public.

4. AGENDA ITEM #4, REVIEW AND DISCUSSION OF THE FEE STUDY STATUS.

Ms. Underwood stated that the fee study is extensive work and in process. She mentioned that the budget position is vacant. The budget analyst who would normally handle this workload retired a few weeks ago. The management staff is currently managing the fee study project.

To determine the fees, the Board must look at the licensing workload processes. It takes time to determine how long it takes for every step of processing - from an application to a re-exam, opening the mail, and sorting the mail. This is a full-time position because full-time people sort the mail in the office, which comes to the Board after it has been through the DCA's mail room. Ms. Underwood noted that all the processing times had been figured out. Now, the staff is going through and putting the classification of who completes each task, after which they will have the cost of the complete licensing process. They will then look at the volume and determine the fee. It has been at least a year that staff has been working on the fee study, and they are now close to recommending to the Committee what the fees should be. They will look at the examination and printing contracts, which will be plugged into the amount. Ms. Underwood indicated that due to the amount of work involved, it would be at least three to four months before a final figure is determined.

Chair Isbell inquired about the timing of the licensing positions being filled. Ms. Underwood stated there is no sense of timing and added that filling positions is hit-andmiss. She mentioned that there had been recent interviews for some positions, but all the candidates were still waiting to be eligible. The position will have to be reposted. The budget analyst position is on its second round of reposting. Some positions have been reposted three different times. Ms. Underwood mentioned that in the past, a posted job would get many applications. Now, the positions get around six to seven applications, which makes it difficult to find eligible candidates. She was, however, hopeful that the vacant posts would be filled within six weeks.

Chair Isbell asked if it was a regular thing in Sacramento to have fewer applications for the budget analyst position. Ms. Underwood responded in the affirmative, adding that that was the case for all positions across all state agencies. Chair Isbell mentioned that if the Board wants to reach out to financial people, several tech employees are on layoffs right now in the Bay area. Ms. Underwood stated that the staff has been doing outreach with some colleges. She noted that Ms. Munoz had connected them with Sacramento State. Staff had also done several meet-the-employer events. Therefore, she believed that some potential candidates might come from those events.

Chair Isbell asked if the staff uses Daybook or only uses state channels to post positions. He mentioned that Daybook had been of great help when he and several of his colleagues were looking for budget analyst jobs. Ms. Underwood stated they use Indeed and Handshake, both new for the State. The State has always been using the California Department of Human Resources. Indeed and Handshake has yet to yield any results.

Ms. Pham thanked the staff for all their work on the fee study, adding that it was an enormous undertaking.

No comments were received from the public.

5. AGENDA ITEM #5, DISCUSSION AND POSSIBLE RECOMMENDATIONS REGARDING PROPOSED BILLS:

a. SB 384 (Bradford) Barbering and Cosmetology.

Ms. Underwood believed that this would be the bill that would carry remedial education. She mentioned that Senator Bradford's office had contacted her because they were interested in the topic. She stated that though there is yet to be a language, a remedial education bill might be coming through the Senate soon.

b. SB 451 (Nguyen) Worker Classification: employees and independent contractors: licensed manicurists.

Ms. Underwood noted that this bill does not impact the Board's operations but affects licensees. The bill is in response to a prior bill that changed worker classifications. It had to do with the independent contractors designating themselves as independent contractors. A bill had been created that exempted licensees from that designation. Ms. Underwood stated that there had been an exemption for manicurists, who were exempt for a certain amount of time. A prior bill had been introduced with this same language, and the Board had supported it. She noted that this bill had been brought back before the Committee to remove that exemption date. This would put manicurists in the same area as all the other types of licensees by removing that sunset date from the labor laws. She added that supporting the bill would be an advantageous position for the Board to pursue.

Chair Isbell asked if the Board or the Department of Consumer Affairs had talked to Senator Nguyen about this bill. Ms. Underwood said yes, adding that Senator Nguyen has been very active in the industry. The Senator represents the Orange County area. She has a very large population of Vietnamese licensees and schools as well.

This bill will ensure that manicurists are treated like cosmetologists, estheticians, barbers, and electrologists. Chair Isbell inquired about the other licensees that would align with the manicurists if the exemption date were removed. Ms. Underwood noted they did not have a date when their exemption ended. They'll always be exempt from the ABC test.

Chair Isbell further asked if there was anything from Labor or Legislation concerning this concept. Ms. Underwood said no.

Motion: Ms. Kavanaugh moved to recommend a support position to the full Board for SB 451 (Nguyen) Worker Classification: employees and independent contractors: licensed manicurists. Ms. Pham seconded.

Public Comment:

- Fred Jones, Professional Beauty Federation, expressed his support for the Committee's recommendation to the Board to support the bill.
- Wendy Cochran, California Aesthetic Alliance, addressed Chair Isbell's question about Labor's opinion on the bill. Ms. Cochran mentioned that she had had a private conversation through Facebook on June 23, 2019, with Lorena Gonzalez Fletcher, the author of AB 5. She indicated that Ms. Fletcher's original statement about the licensed manicurists partly states, "Our big heartburn is nail technicians because of the mass worker exploitation amongst immigrant nail salons." Ms. Cochran noted that not every worker in California is an exploited or trafficked worker. She expressed her support of the bill that would allow manicurists the exemption.
- Jaime Schrabeck, a licensed manicurist and salon owner, stated that this is long overdue and was grateful for the support on the bill. She added that it would allow manicurists to move on with the certainty that businesses involving independent contractors can survive.

Motion to recommend a support position to the full Board for SB 451 (Nguyen) Worker Classification: employees and independent contractors: licensed manicurist carried; 4 yes, 0 no, and 0 abstain, per roll call vote as follows:

The following Committee Members voted "Yes": Reese Isbell, Megan Ellis, Colette Kavanaugh, Calimay Pham.

c. AB 1328 (Gipson) Barbering and Cosmetology: interstate cosmetology licensure compact.

Ms. Underwood indicated that this bill might carry the compact cosmetology language, though the language still needed to be put in print. She mentioned that she had been in contact with the office of Assembly Member Gipson and was hopeful that a bill might come through in the next couple of weeks, possibly before the next Committee meeting.

6. AGENDA ITEM #6, PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA.

Wendy Cochran noted that SB 247 had been excluded from this meeting. She indicated that the bill went to the Committee on March 8 and pertained to serving alcohol in a salon. The bill says that if an establishment is in good standing with the Board, they can serve beer or wine. She pointed out that the bill does not say anything about the licensee providing the beverage to the client. Ms. Cochran also mentioned an end time in the bill, 10:00 pm, but there is no opening time in the language. She felt that the language was loose.

7. AGENDA ITEM #7, SUGGESTIONS FOR FUTURE AGENDA ITEMS.

No suggestions were received from the Committee members.

No comments were received from the public.

Chair Isbell noted that the next Committee meeting is scheduled for April 10, 2023, right before the next Board meeting on April 17, 2023. He indicated that it would be a busy month where the Committee would look at new bills and updates on current bills.

8. AGENDA ITEM #8, ADJOURNMENT.

There being no further business to discuss, the meeting adjourned at approximately 11.33 am.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Assembly Member Gipson Subject: Cosmetology Licensure

Compact

Bill Number: AB 1328 Version: March 23, 2023

Existing Law:

Existing law, the Barbering and Cosmetology Act, establishes in the Department of Consumer Affairs the State Board of Barbering and Cosmetology to license and regulate the practice of cosmetology. A violation of the act is a misdemeanor, unless otherwise provided. Existing law requires the board to grant a license to an applicant who holds a current license to practice issued by another state that is not revoked, suspended, or otherwise restricted and is in good standing, upon submission of a completed application form and fees.

This Bill:

This bill would enact the Cosmetology Licensure Compact, the purpose of which is to facilitate the interstate practice and regulation of cosmetology. The compact would require the board to grant a multistate license to practice cosmetology to an applicant who meets specified eligibility requirements, including holding an active and unencumbered license to practice cosmetology issued by the board in this state. The compact would require the state to recognize a multistate license issued by each member state as authorizing the licensee to practice cosmetology in this state. The compact would require the board to select a delegate to serve on the Cosmetology Licensure Compact Commission, a joint governmental agency consisting of all member states that have enacted the compact, and would enact specified provisions relating to the establishment, operation, powers, and duties of the commission. The compact would specify procedures for the adoption of rules by the commission for purposes of implementing and administering the compact and would state that the rules of the commission shall have the force of law, except as specified. The compact would require the board to take specified actions relating to the administration and enforcement of the compact, including receiving complaints about individuals practicing cosmetology and communicating investigative information about any adverse action to the other member states through a data system, as specified. The compact would authorize the board to charge a fee to grant a multistate license or for the renewal of a multistate license. The bill would authorize the commission to levy and collect an annual assessment from the state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of operations and activities of the commission. Because the bill would expand the scope of a crime under the act to holders of multistate licenses practicing in this state, the bill would impose a state-mandated local program.

Status: 03/27/2023 Re-referred to Committee on Business and Professions.

Analysis:

At the January 23, 2023, the Board voiced support of joining the inter-state compact and motioned to move forward with a legislative proposal. The compact will allow licensees to work in other states in the compact while also giving the Board access to enforcement information through a shared database and grant the Board the authority to participate in joint investigations with other states.

Staff Position Recommendation: Support

Action: The Committee may make a motion to recommend a position to the full Board.

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1328

Introduced by Assembly Member Gipson

February 16, 2023

An act relating to business and professions. An act to add Article 14 (commencing with Section 7430) to Chapter 10 of Division 3 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1328, as amended, Gipson. Barbering and cosmetology: interstate cosmetology licensure compact. Cosmetology Licensure Compact.

Existing law, the Barbering and Cosmetology Act, establishes in the Department of Consumer Affairs the State Board of Barbering and Cosmetology to license and regulate the practice of cosmetology. A violation of the act is a misdemeanor, unless otherwise provided. Existing law requires the board to grant a license to an applicant who holds a current license to practice issued by another state that is not revoked, suspended, or otherwise restricted and is in good standing, upon submission of a completed application form and fees.

This bill would enact the Cosmetology Licensure Compact, the purpose of which is to facilitate the interstate practice and regulation of cosmetology. The compact would require the board to grant a multistate license to practice cosmetology to an applicant who meets specified eligibility requirements, including holding an active and unencumbered license to practice cosmetology issued by the board in this state. The compact would require the state to recognize a multistate license issued by each member state as authorizing the licensee to practice cosmetology in this state. The compact would require the board

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to select a delegate to serve on the Cosmetology Licensure Compact Commission, a joint governmental agency consisting of all member states that have enacted the compact, and would enact specified provisions relating to the establishment, operation, powers, and duties of the commission. The compact would specify procedures for the adoption of rules by the commission for purposes of implementing and administering the compact and would state that the rules of the commission shall have the force of law, except as specified. The compact would require the board to take specified actions relating to the administration and enforcement of the compact, including receiving complaints about individuals practicing cosmetology and communicating investigative information about any adverse action to the other member states through a data system, as specified. The compact would authorize the board to charge a fee to grant a multistate license or for the renewal of a multistate license. The bill would authorize the commission to levy and collect an annual assessment from the state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of operations and activities of the commission. Because the bill would expand the scope of a crime under the act to holders of multistate licenses practicing in this state, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law, the Barbering and Cosmetology Act, establishes the State Board of Barbering and Cosmetology in the Department of Consumer Affairs to license and regulate barbers and cosmetologists. Existing law requires the board to grant a license to practice to an applicant who holds a current license to practice issued by another state that is not revoked, suspended, or otherwise restricted and is in good standing, upon submission of a completed application form and fees.

This bill would state the intent of the Legislature to enact legislation that would facilitate membership in an interstate cosmetology licensure compact.

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

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

SECTION 1. Article 14 (commencing with Section 7430) is added to Chapter 10 of Division 3 of the Business and Professions Code, to read:

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Article 14. Cosmetology Licensure Compact

- 7430. (a) The Legislature hereby enacts the Cosmetology Licensure Compact as set forth in Section 7431.
- (b) The State Board of Barbering and Cosmetology is designated as the state licensing authority for purposes of the compact.

7431. ARTICLE 1- PURPOSE

The purpose of this Compact is to facilitate the interstate practice and regulation of Cosmetology with the goal of improving public access to, and the safety of, Cosmetology Services and reducing unnecessary burdens related to Cosmetology licensure. Through this Compact, the Member States seek to establish a regulatory framework which provides for a new multistate licensing program. Through this new licensing program, the Member States seek to provide increased value and mobility to licensed Cosmetologists in the Member States, while ensuring the provision of safe, effective, and reliable services to the public.

This Compact is designed to achieve the following objectives, and the Member States hereby ratify the same intentions by subscribing hereto:

Provide opportunities for interstate practice by Cosmetologists who meet uniform requirements for multistate licensure;

- B. Enhance the abilities of Member States to protect public health and safety, and prevent fraud and unlicensed activity within the profession;
- C. Ensure and encourage cooperation between Member States in the licensure and regulation of the Practice of Cosmetology;
 - D. Support relocating military members and their spouses;
- E. Facilitate the exchange of information between Member States related to the licensure, investigation, and discipline of the Practice of Cosmetology;
- F. Provide for the licensure and mobility of the workforce in the profession, while addressing the shortage of workers and lessening the associated burdens on the Member States.

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ARTICLE 2- DEFINITIONS

2 As used in this Compact, and except as otherwise provided, the following definitions shall govern the terms herein:

"Active Duty Military" means any individual in full-time duty status in the active uniformed service of the United States including members of the National Guard and Reserve.

- B. "Adverse Action" means any administrative, civil, equitable, or criminal action permitted by a Member State's laws which is imposed by a State Licensing Authority or other regulatory body against a or Cosmetologist, including actions against an individual's license or Authorization to Practice such as revocation, suspension, probation, monitoring of the Licensee, limitation of the Licensee's practice, or any other Encumbrance on a license affecting an individual's ability to participate in the Cosmetology industry, including the issuance of a cease and desist order.
- C. "Authorization to Practice" means a legal authorization associated with a Multistate License permitting the Practice of Cosmetology in that Remote State, which shall be subject to the enforcement jurisdiction of the State Licensing Authority in that Remote State.
- D. "Alternative Program" means a non-disciplinary monitoring or prosecutorial diversion program approved by a Member State's State Licensing Authority.
- E. "Background Check" means the submission of information for an applicant for the purpose of obtaining that applicant's criminal history record information, as further defined in C.F.R. § 20.3(d), from the Federal Bureau of Investigation and the agency responsible for retaining State criminal or disciplinary history in the applicant's Home State.
- F. "Charter Member State" means Member States who have enacted legislation to adopt this Compact where such legislation predates the effective date of this Compact as defined in Article 13.
- 35 G. "Commission" the government agency whose membership 36 consists of all States that have enacted this Compact, which is 37 known as the Cosmetology Licensure Compact Commission, as 38 defined in Article 9, and which shall operate as an instrumentality 39 of the Member States.

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H. "Cosmetologist" means an individual licensed in their Home State to practice Cosmetology.

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"Cosmetology", "Cosmetology Services", and the "Practice of Cosmetology" mean the care and services provided by a Cosmetologist as set forth in the Member State's statutes and regulations in the State where the services are being provided.

J. "Current Significant Investigative Information" means:

Investigative Information that a State Licensing Authority, after an inquiry or investigation that complies with a Member State's due process requirements, has reason to believe is not groundless and, if proved true, would indicate a violation of that State's laws regarding fraud or the Practice of Cosmetology; or

- 2. Investigative Information that indicates that a Licensee has engaged in fraud or represents an immediate threat to public health and safety, regardless of whether the Licensee has been notified and had an opportunity to respond.
- K. "Data System" means a repository of information about Licensees, including but not limited to license status, Investigative Information, and Adverse Actions.
- L. "Disqualifying Event" means any event which shall disqualify an individual from holding a Multistate License under this Compact, which the Commission may by Rule or order specify.
- M. "Encumbered License" means a license in which an Adverse Action restricts the Practice of Cosmetology by a Licensee, or where said Adverse Action has been reported to the Commission.
- N. "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted Practice of Cosmetology by a State Licensing Authority.
- O. "Executive Committee" means a group of delegates elected or appointed to act on behalf of, and within the powers granted to them by, the Commission.
- P. "Home State" means the Member State which is a Licensee's primary State of residence, and where that Licensee holds an active and unencumbered license to practice Cosmetology.
- Q. "Investigative Information" means information, records, or documents received or generated by a State Licensing Authority pursuant to an investigation or other inquiry.
- 38 R. "Jurisprudence Requirement" means the assessment of an 39 individual's knowledge of the laws and rules governing the 40 Practice of Cosmetology in a State.

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1 S. "Licensee" means an individual who currently holds a license 2 from a Member State to practice as a Cosmetologist.

- 3 T. "Member State" means any State that has adopted this 4 Compact.
- 5 U. "Multistate License" means a license issued by and subject 6 to the enforcement jurisdiction of the State Licensing Authority in 7 a Licensee's Home State, which authorizes the Practice of 8 Cosmetology in Member States and includes Authorizations to 9 Practice Cosmetology in all Remote States pursuant to this 10 Compact.
- 11 V. "Remote State" means any Member State, other than the 12 Licensee's Home State.
- W. "Rule" means any rule or regulation promulgated by the Commission under this Compact which has the force of law.
 - X. "Single-State License" means a Cosmetology license issued by a Member State that authorizes practice of Cosmetology only within the issuing State and does not include any authorization outside of the issuing State.
 - Y. "State" means a State, territory, or possession of the United States and the District of Columbia.
 - Z. "State Licensing Authority" means a Member State's regulatory body responsible for issuing Cosmetology licenses or otherwise overseeing the Practice of Cosmetology in that State.
 - ARTICLE 3- MEMBER STATE REQUIREMENTS
 - To be eligible to join this Compact, and to maintain eligibility as a Member State, a State must:
 - 1. License and regulate Cosmetology;
 - 2. Have a mechanism or entity in place to receive and investigate complaints about Licensees practicing in that State;
 - 3. Require that Licensees within the State pass a Cosmetology competency examination prior to being licensed to provide Cosmetology Services to the public in that State;
 - 4. Require that Licensees satisfy educational or training requirements in Cosmetology prior to being licensed to provide Cosmetology Services to the public in that State;
 - 5. Implement procedures for considering one or more of the following categories of information from applicants for licensure: criminal history; disciplinary history; or Background Check. Such procedures may include the submission of information by

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applicants for the purpose of obtaining an applicant's Background
 Check as defined herein;

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- 6. Participate in the Data System, including through the use of unique identifying numbers;
- 7. Share information related to Adverse Actions with the Commission and other Member States, both through the Data System and otherwise;
- 8. Notify the Commission and other Member States, in compliance with the terms of the Compact and Rules of the Commission, of the existence of Investigative Information or Current Significant Investigative Information in the State's possession regarding a Licensee practicing in that State;
- 9. Comply with such Rules as may be enacted by the Commission to administer the Compact; and
- 10. Accept Licensees from other Member States as established herein.
- B. Member States may charge a fee for granting a license to practice Cosmetology.
- C. Individuals not residing in a Member State shall continue to be able to apply for a Member State's Single-State License as provided under the laws of each Member State. However, the Single-State License granted to these individuals shall not be recognized as granting a Multistate License to provide services in any other Member State.
- D. Nothing in this Compact shall affect the requirements established by a Member State for the issuance of a Single-State License.
- E. A Multistate License issued to a Licensee by a Home State to a resident of that State shall be recognized by each Member State as authorizing a Licensee to practice Cosmetology in each Member State.
- F. At no point shall the Commission have the power to define the educational or professional requirements for a license to practice Cosmetology. The Member States shall retain sole jurisdiction over the provision of these requirements.

ARTICLE 4- MULTISTATE LICENSE

- 37 To be eligible to apply to their Home State's State Licensing
- 38 Authority for an initial Multistate License under this Compact, a
- 39 Licensee must hold an active and unencumbered Single-State
- 40 License to practice Cosmetology in their Home State.

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B. Upon the receipt of an application for a Multistate License, according to the Rules of the Commission, a Member State's State Licensing Authority shall ascertain whether the applicant meets the requirements for a Multistate License under this Compact.

- C. If an applicant meets the requirements for a Multistate License under this Compact and any applicable Rules of the Commission, the State Licensing Authority in receipt of the application shall, within a reasonable time, grant a Multistate License to that applicant, and inform all Member States of the grant of said Multistate License.
- D. A Multistate License to practice Cosmetology issued by a Member State's State Licensing Authority shall be recognized by each Member State as authorizing the practice thereof as though that Licensee held a Single-State License to do so in each Member State, subject to the restrictions herein.
 - E. A Multistate License granted pursuant to this Compact may be effective for a definite period of time, concurrent with the licensure renewal period in the Home State.
 - F. To maintain a Multistate License under this Compact, a Licensee must:
 - Agree to abide by the rules of the State Licensing Authority, and the State scope of practice laws governing the Practice of Cosmetology, of any Member State in which the Licensee provides services;
 - 2. Pay all required fees related to the application and process, and any other fees which the Commission may by Rule require; and
 - 3. Comply with any and all other requirements regarding Multistate Licenses which the Commission may by Rule provide.
 - G. A Licensee practicing in a Member State is subject to all scope of practice laws governing Cosmetology Services in that State.
- 33 H. The Practice of Cosmetology under a Multistate License 34 granted pursuant to this Compact will subject the Licensee to the 35 jurisdiction of the State Licensing Authority, the courts, and the 36 laws of the Member State in which the Cosmetology Services are 37 provided.
- 38 ARTICLE 5- REISSUANCE OF A MULTISTATE LICENSE BY 39 A NEW HOME STATE

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A Licensee may hold a Multistate License, issued by their Home State, in only one Member State at any given time.

B. If a Licensee changes their Home State by moving between two Member States:

The Licensee shall immediately apply for the reissuance of their Multistate License in their new Home State. The Licensee shall pay all applicable fees and notify the prior Home State in accordance with the Rules of the Commission.

- 2. Upon receipt of an application to reissue a Multistate License, the new Home State shall verify that the Multistate License is active, unencumbered and eligible for reissuance under the terms of the Compact and the Rules of the Commission. The Multistate License issued by the prior Home State will be deactivated and all Member States notified in accordance with the applicable Rules adopted by the Commission.
- 3. If required for initial licensure, the new Home State may require a Background Check as specified in the laws of that State, or the compliance with any Jurisprudence Requirements of the new Home State.
- 4. Notwithstanding any other provision of this Compact, if a Licensee does not meet the requirements set forth in this Compact for the reissuance of a Multistate License by the new Home State, then the Licensee shall be subject to the new Home State requirements for the issuance of a Single-State License in that State.
- C. If a Licensee changes their primary state of residence by moving from a Member State to a non-Member State, or from a non-Member State to a Member State, then the Licensee shall be subject to the State requirements for the issuance of a Single-State License in the new Home State.
- D. Nothing in this Compact shall interfere with a Licensee's ability to hold a Single-State License in multiple States; however, for the purposes of this Compact, a Licensee shall have only one Home State, and only one Multistate License.
- E. Nothing in this Compact shall interfere with the requirements
 established by a Member State for the issuance of a Single-State
 License.
- 38 ARTICLE 6- AUTHORITY OF THE COMPACT COMMISSION 39 AND MEMBER STATE LICENSING AUTHORITIES

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Nothing in this Compact, nor any Rule or regulation of the Commission, shall be construed to limit, restrict, or in any way reduce the ability of a Member State to enact and enforce laws, regulations, or other rules related to the Practice of Cosmetology in that State, where those laws, regulations, or other rules are not inconsistent with the provisions of this Compact.

B. Insofar as practical, a Member State's State Licensing Authority shall cooperate with the Commission and with each entity exercising independent regulatory authority over the Practice of Cosmetology according to the provisions of this Compact.

C. Discipline shall be the sole responsibility of the State in which Cosmetology Services are provided. Accordingly, each Member State's State Licensing Authority shall be responsible for receiving complaints about individuals practicing Cosmetology in that State, and for communicating all relevant Investigative Information about any such Adverse Action to the other Member States through the Data System in addition to any other methods the Commission may by Rule require.

ARTICLE 7- ADVERSE ACTIONS

A Licensee's Home State shall have exclusive power to impose an Adverse Action against a Licensee's Multistate License issued by the Home State.

B. A Home State may take Adverse Action on a Multistate License based on the Investigative Information, Current Significant Investigative Information, or Adverse Action of a Remote State.

C. In addition to the powers conferred by State law, each Remote State's State Licensing Authority shall have the power to:

Take Adverse Action against a Licensee's Authorization to Practice Cosmetology through the Multistate License in that Member State, provided that:

Only the Licensee's Home State shall have the power to take Adverse Action against the Multistate License issued by the Home State; and

For the purposes of taking Adverse Action, the Home State's State Licensing Authority shall give the same priority and effect to reported conduct received from a Remote State as it would if such conduct had occurred within the Home State. In so doing, the Home State shall apply its own State laws to determine the appropriate action.

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Issue cease and desist orders or impose an Encumbrance on a Licensee's Authorization to Practice within that Member State.

Complete any pending investigations of a Licensee who changes their primary state of residence during the course of such an investigation. The State Licensing Authority shall also be empowered to report the results of such an investigation to the Commission through the Data System as described herein.

Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a State Licensing Authority in a Member State for the attendance and testimony of witnesses or the production of evidence from another Member State shall be enforced in the latter State by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings before it. The issuing State Licensing Authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the State in which the witnesses or evidence are located.

If otherwise permitted by State law, recover from the affected Licensee the costs of investigations and disposition of cases resulting from any Adverse Action taken against that Licensee.

Take Adverse Action against the Licensee's Authorization to Practice in that State based on the factual findings of another Remote State.

D. A Licensee's Home State shall complete any pending investigation(s) of a Cosmetologist who changes their primary state of residence during the course of the investigation(s). The Home State shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of the investigations to the Data System.

E. If an Adverse Action is taken by the Home State against Licensee's Multistate License, the Licensee's Authorization to Practice in all other Member States shall be deactivated until all Encumbrances have been removed from the Home State license. All Home State disciplinary orders that impose an Adverse Action against a Licensee's Multistate License shall include a statement that the Cosmetologist's Authorization to Practice is deactivated in all Member States during the pendency of the order.

F. Nothing in this Compact shall override a Member State's authority to accept a Licensee's participation in an Alternative

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Program in lieu of Adverse Action. A Licensee's Multistate License
 shall be suspended for the duration of the Licensee's participation
 in any Alternative Program.

G. Joint Investigations

In addition to the authority granted to a Member State by its respective scope of practice laws or other applicable State law, a Member State may participate with other Member States in joint investigations of Licensees.

2. Member States shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.

ARTICLE 8-ACTIVE DUTY MILITARY AND THEIR SPOUSES Active Duty Military personnel, or their spouses, shall designate a Home State where the individual has a current license to practice Cosmetology in good standing. The individual may retain their Home State designation during any period of service when that individual or their spouse is on active duty assignment.

ARTICLE 9- ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE COMPACT COMMISSION

The Compact Member States hereby create and establish a joint government agency whose membership consists of all Member States that have enacted the Compact known as the Cosmetology Licensure Compact Commission. The Commission is an instrumentality of the Compact Member States acting jointly and not an instrumentality of any one State. The Commission shall come into existence on or after the effective date of the Compact as set forth in Article 13.

B. Membership, Voting, and Meetings

Each Member State shall have and be limited to one (1) delegate selected by that Member State's State Licensing Authority.

- 2. The delegate shall be an administrator of the State Licensing Authority of the Member State or their designee.
- 33 3. The Commission shall by Rule or bylaw establish a term of office for delegates and may by Rule or bylaw establish term limits.
- 4. The Commission may recommend removal or suspension ofany delegate from office.
- 5. A Member State's State Licensing Authority shall fill any
 vacancy of its delegate occurring on the Commission within 60
 days of the vacancy.

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- 6. Each delegate shall be entitled to one vote on all matters that are voted on by the Commission.
- 7. The Commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws.
- 5 The Commission may meet by telecommunication, video conference6 or other similar electronic means.
- 7 *C. The Commission shall have the following powers:*
- 8 Establish the fiscal year of the Commission;
 - Establish code of conduct and conflict of interest policies;
- 10 Adopt Rules and bylaws;

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- Maintain its financial records in accordance with the bylaws;
- Meet and take such actions as are consistent with the provisions of this Compact, the Commission's Rules, and the bylaws;
 - 6. Initiate and conclude legal proceedings or actions in the name of the Commission, provided that the standing of any State Licensing Authority to sue or be sued under applicable law shall not be affected;
 - 7. Maintain and certify records and information provided to a Member State as the authenticated business records of the Commission, and designate an agent to do so on the Commission's behalf;
 - 8. Purchase and maintain insurance and bonds;
 - 9. Borrow, accept, or contract for services of personnel, including, but not limited to, employees of a Member State;
 - 10. Conduct an annual financial review;
 - 11. Hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the Compact, and establish the Commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;
 - 12. As set forth in the Commission Rules, charge a fee to a Licensee for the grant of a Multistate License and thereafter, as may be established by Commission Rule, charge the Licensee a Multistate License renewal fee for each renewal period. Nothing
- herein shall be construed to prevent a Home State from charging
 a Licensee a fee for a Multistate License or renewals of a Multistate
- 27 Liange on a fee for the junismy dance requirement if the Member
- 37 License, or a fee for the jurisprudence requirement if the Member
- 38 State imposes such a requirement for the grant of Multistate
- 39 License;
- 40 13. Assess and collect fees;

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1 14. Accept any and all appropriate gifts, donations, grants of 2 money, other sources of revenue, equipment, supplies, materials, 3 and services, and receive, utilize, and dispose of the same; provided 4 that at all times the Commission shall avoid any appearance of 5 impropriety or conflict of interest;

- 15. Lease, purchase, retain, own, hold, improve, or use any property, real, personal, or mixed, or any undivided interest therein;
- 16. Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property real, personal, or mixed;
 - 17. Establish a budget and make expenditures;
- 12 *18. Borrow money*;

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- 19. Appoint committees, including standing committees, composed of members, State regulators, State legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this Compact and the bylaws; 20. Provide and receive information from, and cooperate with,
 - 20. Provide and receive information from, and cooperate with, law enforcement agencies
 - 21. Elect a Chair, Vice Chair, Secretary and Treasurer and such other officers of the Commission as provided in the Commission's bylaws;
 - 22. Establish and elect an Executive Committee, including a chair and a vice chair;
 - 23. Adopt and provide to the Participating States an annual report.
 - 24. Determine whether a State's adopted language is materially different from the model Compact language such that the State would not qualify for participation in the Compact; and
 - 25. Perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact.
 - D. The Executive Committee
 - The Executive Committee shall have the power to act on behalf of the Commission according to the terms of this Compact. The powers, duties, and responsibilities of the Executive Committee shall include:
- Overseeing the day-to-day activities of the administration of the
 Compact including compliance with the provisions of the Compact,
- 39 the Commission's Rules and bylaws, and other such duties as
- 40 deemed necessary;

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b. Recommending to the Commission changes to the Rules or
 bylaws, changes to this Compact legislation, fees charged to
 Compact Member States, fees charged to Licensees, and other
 fees;

- c. Ensuring Compact administration services are appropriately provided, including by contract;
 - d. Preparing and recommending the budget;

- e. Maintaining financial records on behalf of the Commission;
- f. Monitoring Compact compliance of Member States and providing compliance reports to the Commission;
 - g. Establishing additional committees as necessary;
- h. Exercise the powers and duties of the Commission during the interim between

Commission meetings, except for adopting or amending Rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the Commission by Rule or bylaw; and

Other duties as provided in the Rules or bylaws of the Commission.

2. The Executive Committee shall be composed of up to seven voting members:

The chair and vice chair of the Commission and any other members of the Commission who serve on the Executive Committee shall be voting members of the Executive Committee; and

- b. Other than the chair and vice-chair, secretary and treasurer, the Commission shall elect three voting members from the current membership of the Commission.
- c. The Commission may elect ex-officio, nonvoting members from a recognized national Cosmetology professional association as approved by the Commission. The Commission's bylaws shall identify qualifying organizations and the manner of appointment if the number of organizations seeking to appoint an ex officio member exceeds the number of members specified in this Article.
- 3. The Commission may remove any member of the Executive Committee as provided in the Commission's bylaws.
 - 4. The Executive Committee shall meet at least annually.
- Annual Executive Committee meetings, as well as any Executive Committee meeting at which it does not take or intend to take formal action on a matter for which a Commission vote would otherwise be required, shall be open to the public, except that the

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1 Executive Committee may meet in a closed, non-public session of 2 a public meeting when dealing with any of the matters covered 3 under Article 9.F.4.

- b. The Executive Committee shall give five business days advance notice of its public meetings, posted on its website and as determined to provide notice to persons with an interest in the public matters the Executive Committee intends to address at those meetings.
- 9 5. The Executive Committee may hold an emergency meeting when acting for the Commission to:
- 11 *Meet an imminent threat to public health, safety, or welfare;*
- 12 Prevent a loss of Commission or Participating State funds; or
- 13 Protect public health and safety.
- 14 E. The Commission shall adopt and provide to the Member States 15 an annual report.
 - F. Meetings of the Commission
 - All meetings of the Commission that are not closed pursuant to Article 9.F.4 shall be open to the public. Notice of public meetings shall be posted on the Commission's website at least thirty (30) days prior to the public meeting.
 - 2. Notwithstanding Article 9.F.1, the Commission may convene an emergency public meeting by providing at least twenty-four (24) hours prior notice on the Commission's website, and any other means as provided in the Commission's Rules, for any of the reasons it may dispense with notice of proposed rulemaking under Article 11.L. The Commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.
 - 3. Notice of all Commission meetings shall provide the time, date, and location of the meeting, and if the meeting is to be held or accessible via telecommunication, video conference, or other electronic means, the notice shall include the mechanism for access to the meeting.
 - 4. The Commission may convene in a closed, non-public meeting for the Commission to discuss:
- Non-compliance of a Member State with its obligations under the Compact;
- The employment, compensation, discipline or other matters, practices or procedures related to specific employees or other

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matters related to the Commission's internal personnel practices 2 and procedures:

Current or threatened discipline of a Licensee by the Commission or by a Member State's Licensing Authority;

Current, threatened, or reasonably anticipated litigation;

Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

Accusing any person of a crime or formally censuring any person;

Trade secrets or commercial or financial information that is privileged or confidential;

Information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

Investigative records compiled for law enforcement purposes;

Information related to any investigative reports prepared by or on behalf of or for use of the Commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the Compact;

Legal Advice

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Matters specifically exempted from disclosure to the public by federal or Member State law; or

Other matters as promulgated by the Commission by Rule.

If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

- 6. The Commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the Commission or order of a court of competent jurisdiction.
 - G. Financing of the Commission

The Commission shall pay, or provide for the payment of, the 38 reasonable expenses of its establishment, organization, and ongoing activities.

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2. The Commission may accept any and all appropriate sources of revenue, donations, and grants of money, equipment, supplies, materials, and services.

- 3. The Commission may levy on and collect an annual assessment from each Member State and impose fees on Licensees of Member States to whom it grants a Multistate License to cover the cost of the operations and activities of the Commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount for Member States shall be allocated based upon a formula that the Commission shall promulgate by Rule.
- 4. The Commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the Commission pledge the credit of any Member States, except by and with the authority of the Member State.
- 5. The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the financial review and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the Commission.

H. Qualified Immunity, Defense, and Indemnification

The members, officers, executive director, employees and representatives of the Commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities; provided that nothing in this paragraph shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the Commission shall not in any way compromise or limit the immunity granted hereunder.

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2. The Commission shall defend any member, officer, executive director, employee, and representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or as determined by the Commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

- 3. The Commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of Commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of Commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.
- 4. Nothing herein shall be construed as a limitation on the liability of any Licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable State laws.
- 5. Nothing in this Compact shall be interpreted to waive or otherwise abrogate a Member State's State action immunity or State action affirmative defense with respect to antitrust claims under the Sherman Act, Clayton Act, or any other State or federal antitrust or anticompetitive law or regulation.
- 6. Nothing in this Compact shall be construed to be a waiver of sovereign immunity by the Member States or by the Commission.

ARTICLE 10- DATA SYSTEM

The Commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system.

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B. The Commission shall assign each applicant for a Multistate
 License a unique identifier, as determined by the Rules of the
 Commission.

- C. Notwithstanding any other provision of State law to the contrary, a Member State shall submit a uniform data set to the Data System on all individuals to whom this Compact is applicable as required by the Rules of the Commission, including:
- Identifying information;
- 9 Licensure data;

10 Adverse Actions against a license and information related 11 thereto;

Non-confidential information related to Alternative Program participation, the beginning and ending dates of such participation, and other information related to such participation;

- 5. Any denial of application for licensure, and the reason(s) for such denial (excluding the reporting of any criminal history record information where prohibited by law);
 - 6. The existence of Investigative Information;
- 7. The existence of Current Significant Investigative Information; and
- 8. Other information that may facilitate the administration of this Compact or the protection of the public, as determined by the Rules of the Commission.
- D. The records and information provided to a Member State pursuant to this Compact or through the Data System, when certified by the Commission or an agent thereof, shall constitute the authenticated business records of the Commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial or administrative proceedings in a Member State.
- E. The existence of Current Significant Investigative Information and the existence of Investigative Information pertaining to a Licensee in any Member State will only be available to other Member States.
- F. It is the responsibility of the Member States to monitor the database to determine whether Adverse Action has been taken against such a Licensee or License applicant. Adverse Action information pertaining to a Licensee or License applicant in any
- *Member State will be available to any other Member State.*

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G. Member States contributing information to the Data System may designate information that may not be shared with the public without the express permission of the contributing State.

H. Any information submitted to the Data System that is subsequently expunged pursuant to federal law or the laws of the Member State contributing the information shall be removed from the Data System.

ARTICLE 11- RULEMAKING

The Commission shall promulgate reasonable Rules in order to effectively and efficiently implement and administer the purposes and provisions of the Compact. A Rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the Rule is invalid because the Commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the Compact, or the powers granted hereunder, or based upon another applicable standard of review.

- B. The Rules of the Commission shall have the force of law in each Member State, provided however that where the Rules of the Commission conflict with the laws of the Member State that establish the Member State's scope of practice laws governing the Practice of Cosmetology as held by a court of competent jurisdiction, the Rules of the Commission shall be ineffective in that State to the extent of the conflict.
- C. The Commission shall exercise its rulemaking powers pursuant to the criteria set forth in this Article and the Rules adopted thereunder. Rules shall become binding as of the date specified by the Commission for each Rule.
- D. If a majority of the legislatures of the Member States rejects a Rule or portion of a Rule, by enactment of a statute or resolution in the same manner used to adopt the Compact within four (4) years of the date of adoption of the Rule, then such Rule shall have no further force and effect in any Member State or to any State applying to participate in the Compact.
- E. Rules shall be adopted at a regular or special meeting of the Commission.
- F. Prior to adoption of a proposed Rule, the Commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.
- G. Prior to adoption of a proposed Rule by the Commission, and at least thirty (30) days in advance of the meeting at which

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the Commission will hold a public hearing on the proposed Rule,
 the Commission shall provide a notice of proposed rulemaking:

On the website of the Commission or other publicly accessible platform;

- To persons who have requested notice of the Commission's notices of proposed rulemaking, and
 - 3. In such other way(s) as the Commission may by Rule specify. H. The notice of proposed rulemaking shall include:
- The time, date, and location of the public hearing at which the Commission will hear public comments on the proposed Rule and, if different, the time, date, and location of the meeting where the Commission will consider and vote on the proposed Rule;
- 2. If the hearing is held via telecommunication, video conference, or other electronic means, the Commission shall include the mechanism for access to the hearing in the notice of proposed rulemaking;
 - 3. The text of the proposed Rule and the reason therefor;
- 4. A request for comments on the proposed Rule from any interested person; and
- 5. The manner in which interested persons may submit written comments.
- All hearings will be recorded. A copy of the recording and all written comments and documents received by the Commission in response to the proposed Rule shall be available to the public.
- J. Nothing in this Article shall be construed as requiring a separate hearing on each Rule. Rules may be grouped for the convenience of the Commission at hearings required by this Article.
- K. The Commission shall, by majority vote of all members, take final action on the proposed Rule based on the rulemaking record and the full text of the Rule.
- The Commission may adopt changes to the proposed Rule provided the changes do not enlarge the original purpose of the proposed Rule.
- 2. The Commission shall provide an explanation of the reasons
 for substantive changes made to the proposed Rule as well as
 reasons for substantive changes not made that were recommended
 by commenters.
- 38 3. The Commission shall determine a reasonable effective date 39 for the Rule. Except for an emergency as provided in Article 11.L, 40 the effective date of the Rule shall be no sooner than forty-five (45)

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1 days after the Commission issuing the notice that it adopted or 2 amended the Rule.

L. Upon determination that an emergency exists, the Commission may consider and adopt an emergency Rule with five (5) days' notice, with opportunity to comment, provided that the usual rulemaking procedures provided in the Compact and in this Article shall be retroactively applied to the Rule as soon as reasonably possible, in no event later than ninety (90) days after the effective date of the Rule. For the purposes of this provision, an emergency Rule is one that must be adopted immediately to:

Meet an imminent threat to public health, safety, or welfare;

Prevent a loss of Commission or Member State funds;

Meet a deadline for the promulgation of a Rule that is established by federal law or rule; or

4. Protect public health and safety.

M. The Commission or an authorized committee of the Commission may direct revisions to a previously adopted Rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the Commission. The revision shall be subject to challenge by any person for a period of thirty (30) days after posting. The revision may be challenged only on grounds that the revision results in a material change to a Rule. A challenge shall be made in writing and delivered to the Commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

N. No Member State's rulemaking requirements shall apply under this Compact.

31 ARTICLE 12- OVERSIGHT, DISPUTE RESOLUTION, AND 32 ENFORCEMENT

Oversight

The executive and judicial branches of State government in each Member State shall enforce this Compact and take all actions necessary and appropriate to implement the Compact.

2. Venue is proper and judicial proceedings by or against the Commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional

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defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a Licensee for professional malpractice, misconduct or any such similar matter.

3. The Commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the Compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the Commission service of process shall render a judgment or order void as to the Commission, this Compact, or promulgated Rules.

B. Default, Technical Assistance, and Termination

If the Commission determines that a Member State has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated Rules, the Commission shall provide written notice to the defaulting State. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the Commission may take, and shall offer training and specific technical assistance regarding the default.

- 2. The Commission shall provide a copy of the notice of default to the other Member States.
- 3. If a State in default fails to cure the default, the defaulting State may be terminated from the Compact upon an affirmative vote of a majority of the delegates of the Member States, and all rights, privileges and benefits conferred on that State by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending State of obligations or liabilities incurred during the period of default.
- 4. Termination of membership in the Compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the Commission to the governor, the majority and minority leaders of the defaulting State's legislature, the defaulting State's State Licensing Authority and each of the Member States' State Licensing Authority.
- 5. A State that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

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6. Upon the termination of a State's membership from this Compact, that State shall immediately provide notice to all Licensees who hold a Multistate License within that State of such termination. The terminated State shall continue to recognize all licenses granted pursuant to this Compact for a minimum of one hundred eighty (180) days after the date of said notice of termination.

- 7. The Commission shall not bear any costs related to a State that is found to be in default or that has been terminated from the Compact, unless agreed upon in writing between the Commission and the defaulting State.
- 8. The defaulting State may appeal the action of the Commission by petitioning the U.S. District Court for the District of Columbia or the federal district where the Commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorney's fees.

C. Dispute Resolution

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Upon request by a Member State, the Commission shall attempt to resolve disputes related to the Compact that arise among Member States and between Member and non-Member States.

2. The Commission shall promulgate a Rule providing for both mediation and binding dispute resolution for disputes as appropriate.

D. Enforcement

The Commission, in the reasonable exercise of its discretion, shall enforce the provisions of this Compact and the Commission's Rules.

- 2. By majority vote as provided by Commission Rule, the Commission may initiate legal action against a Member State in default in the United States District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated Rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney's fees. The remedies herein shall not be the exclusive remedies of the
- 37
- 38 Commission. The Commission may pursue any other remedies
- 39 available under federal or the defaulting Member State's law.

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3. A Member State may initiate legal action against the Commission in the U.S. District Court for the District of Columbia or the federal district where the Commission has its principal offices to enforce compliance with the provisions of the Compact and its promulgated Rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorney's fees.

4. No individual or entity other than a Member State may enforce this Compact against the Commission.

ARTICLE 13- EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

The Compact shall come into effect on the date on which the Compact statute is enacted into law in the seventh Member State.

1. On or after the effective date of the Compact, the Commission shall convene and review the enactment of each of the Charter Member States to determine if the statute enacted by each such Charter Member State is materially different than the model Compact statute.

A Charter Member State whose enactment is found to be materially different from the model Compact statute shall be entitled to the default process set forth in Article 12.

If any Member State is later found to be in default, or is terminated or withdraws from the Compact, the Commission shall remain in existence and the Compact shall remain in effect even if the number of Member States should be less than seven (7).

- 2. Member States enacting the Compact subsequent to the Charter Member States shall be subject to the process set forth in Article 9.C.24 to determine if their enactments are materially different from the model Compact statute and whether they qualify for participation in the Compact.
- 3. All actions taken for the benefit of the Commission or in furtherance of the purposes of the administration of the Compact prior to the effective date of the Compact or the Commission coming into existence shall be considered to be actions of the Commission unless specifically repudiated by the Commission.
- 4. Any State that joins the Compact shall be subject to the Commission's Rules and bylaws as they exist on the date on which the Compact becomes law in that State. Any Rule that has been

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previously adopted by the Commission shall have the full force and effect of law on the day the Compact becomes law in that State.

- B. Any Member State may withdraw from this Compact by enacting a statute repealing that State's enactment of the Compact.
- A Member State's withdrawal shall not take effect until one hundred eighty (180) days after enactment of the repealing statute.
- 2. Withdrawal shall not affect the continuing requirement of the withdrawing State's State Licensing Authority to comply with the investigative and Adverse Action reporting requirements of this Compact prior to the effective date of withdrawal.
- 3. Upon the enactment of a statute withdrawing from this Compact, a State shall immediately provide notice of such withdrawal to all Licensees within that State. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing State shall continue to recognize all licenses granted pursuant to this Compact for a minimum of 180 days after the date of such notice of withdrawal.
- C. Nothing contained in this Compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a Member State and a non-Member State that does not conflict with the provisions of this Compact.
- D. This Compact may be amended by the Member States. No amendment to this Compact shall become effective and binding upon any Member State until it is enacted into the laws of all Member States.

ARTICLE 14- CONSTRUCTION AND SEVERABILITY

This Compact and the Commission's rulemaking authority shall be liberally construed so as to effectuate the purposes, and the implementation and administration of the Compact. Provisions of the Compact expressly authorizing or requiring the promulgation of Rules shall not be construed to limit the Commission's rulemaking authority solely for those purposes.

B. The provisions of this Compact shall be severable and if any phrase, clause, sentence or provision of this Compact is held by a court of competent jurisdiction to be contrary to the constitution of any Member State, a State seeking participation in the Compact, or of the United States, or the applicability thereof to any government, agency, person or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this Compact and the applicability thereof to

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1 any other government, agency, person or circumstance shall not
2 be affected thereby.

C. Notwithstanding Article 14.B, the Commission may deny a State's participation in the Compact or, in accordance with the requirements of Article 12, terminate a Member State's participation in the Compact, if it determines that a constitutional requirement of a Member State is a material departure from the Compact. Otherwise, if this Compact shall be held to be contrary to the constitution of any Member State, the Compact shall remain in full force and effect as to the remaining Member States and in full force and effect as to the Member State affected as to all severable matters.

ARTICLE 15- CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

Nothing herein shall prevent or inhibit the enforcement of any other law of a Member State that is not inconsistent with the Compact.

B. Any laws, statutes, regulations, or other legal requirements in a Member State in conflict with the Compact are superseded to the extent of the conflict.

C. All permissible agreements between the Commission and the Member States are binding in accordance with their terms.

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.

SECTION 1. It is the intent of the Legislature to enact legislation that would facilitate membership in an interstate eosmetology licensure compact.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Senator Wilk Subject: Alcoholic beverages:

licensing exemptions: barbering and

cosmetology services.

Bill Number: SB 247 Version: February 28, 2023

Existing Law:

Existing law generally prohibits anyone from manufacturing, importing, or selling alcoholic beverages in California without a license from the Department of Alcoholic Beverage Control. Existing law creates certain exceptions from this proscription, including by allowing the serving of beer or wine without a license or permit as part of a beauty salon service or barber shop service, subject to additional restrictions on the sizes of the beverages and hours of service.

This Bill:

This bill would revise the exception to instead apply to the serving of beer or wine as part of any service provided by an establishment that is subject to regulation by the State Board of Barbering and Cosmetology.

Status: 03/08/2023 Re-referred to Committee on Governmental Organization.

Analysis:

This bill only changes the verbiage from a "beauty salon or barber shop" to any establishment licensed by the Board. This bill does not have any effect on Board operations as the Board does not enforce this law. It simply clarifies that the exception applies to all Board establishments.

Staff Position Recommendation: Support

Action: The Committee may make a motion to recommend a position to the full Board.

No. 247

Introduced by Senator Wilk

January 26, 2023

An act to amend Section 108 23399.5 of the Business and Professions Code, relating to professions and vocations. alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 247, as amended, Wilk. Department of Consumer Affairs. *Alcoholic beverages: licensing exemptions: barbering and cosmetology services.*

Existing law generally prohibits anyone from manufacturing, importing, or selling alcoholic beverages in California without a license from the Department of Alcoholic Beverage Control. Existing law creates certain exceptions from this proscription, including by allowing the serving of beer or wine without a license or permit as part of a beauty salon service or barber shop service, subject to additional restrictions on the sizes of the beverages and hours of service.

This bill would revise the exception described above to instead apply to the serving of beer or wine as part of any service provided by an establishment that is subject to regulation by the State Board of Barbering and Cosmetology.

Existing law establishes the Department of Consumer Affairs, which is comprised of boards that license and regulate various professions and vocations. Under existing law, each board within the department exists as a separate unit with specified functions.

This bill would make a nonsubstantive change to these provisions.

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

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

SECTION 1. Section 23399.5 of the Business and Professions Code is amended to read:

- 23399.5. (a) (1) A license or permit is not required for the serving of alcoholic beverages in a limousine by any person operating a limousine service regulated by the Public Utilities Commission, provided there is no extra charge or fee for the alcoholic beverages.
- (2) For purposes of this subdivision, there is no extra charge or fee for the alcoholic beverages when the fee charged for the limousine service is the same regardless of whether alcoholic beverages are served.
- (b) (1) A license or permit is not required for the serving of alcoholic beverages as part of a hot air balloon ride service, provided there is no extra charge or fee for the alcoholic beverages.
- (2) For purposes of this subdivision, there is no extra charge or fee for the alcoholic beverages when the fee charged for the hot air balloon ride service is the same regardless of whether alcoholic beverages are served.
- (c) A license or permit is not required for the serving of wine or beer as part of a beauty salon service or barber shop service any service provided by an establishment that is subject to regulation by the State Board of Barbering and Cosmetology under the Barbering and Cosmetology Act (Chapter 10 (commencing with Section 7301) of Division 3) if the following requirements are met:
- (1) There is no extra charge or fee for the beer or wine. For purposes of this paragraph, there is no extra charge or fee for the beer or wine if the fee charged for the beauty salon service or barber shop service is the same regardless of whether beer or wine is served.
- (2) The license of the establishment providing the beauty salon service or barber shop service is in good standing with the State Board of Barbering and Cosmetology.
- (3) No more than 12 ounces of beer or six ounces of wine by the glass is offered to a client.
- (4) The beer or wine is provided only during business hours and in no case later than 10 p.m.
- (5) Nothing in this subdivision shall be construed to limit the authority of a city or city and county to restrict or limit the

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1 consumption of alcoholic beverages, as described in this 2 subdivision, pursuant to Section 23791.

SECTION 1. Section 108 of the Business and Professions Code is amended to read:

108. Each board within the department exists as a separate unit, and has the functions of setting standards, holding meetings, and setting dates thereof, preparing and conducting examinations, passing upon applicants, 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 these powers are given by statute to each respective board.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Senator Bradford Subject: Barbering and

cosmetology

Bill Number: SB 384 Version: March 20, 2023

Existing Law:

Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practices of barbering, cosmetology, and electrolysis by the State Board of Barbering and Cosmetology. Under existing law, the board is authorized to assess administrative fines for a violation of the act or a violation of any rules and regulations adopted by the board pursuant to the act. Existing law requires the board to determine by regulation when a fine is required to be assessed against both the holder of the establishment license and the individual licensee for the same violation and also requires the board to determine by regulation when a fine shall be assessed to only the holder of the establishment license or to only an individual licensee for the same violation.

This Bill:

This bill would require the board to establish by regulation a board-offered remedial education program, in lieu of a first offense of a health and safety violation. The bill would authorize the board to impose a fee to cover the reasonable regulatory cost of administering the program.

Status: 04/03/2023 Set for hearing April 24.

<u>Analysis:</u>

At the January 23, 2023, board meeting, the Board motioned to direct staff to pursue legislative change to Business and Professions Code section 7407.1 to allow remedial education to reduce or remove administrative fines in lieu of a first offense of a health and safety violation. This bill does exactly that and allows the Board to impose a fee to cover the regulatory cost of administering the remedial education program.

Staff Position Recommendation: Support

Action: The Committee may make a motion to recommend a position to the full Board.

Introduced by Senator Bradford

February 9, 2023

An act to amend Section 7319 7407.1 of the Business and Professions Code, relating to barbering and cosmetology.

LEGISLATIVE COUNSEL'S DIGEST

SB 384, as amended, Bradford. Barbering and cosmetology.

Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practices of barbering, cosmetology, and electrolysis by the State Board of Barbering and Cosmetology. Under existing law, the board is authorized to assess administrative fines for a violation of the act or a violation of any rules and regulations adopted by the board pursuant to the act. Existing law requires the board to determine by regulation when a fine is required to be assessed against both the holder of the establishment license and the individual licensee for the same violation and also requires the board to determine by regulation when a fine shall be assessed to only the holder of the establishment license or to only an individual licensee for the same violation.

This bill would require the board to establish by regulation a board-offered remedial education program, in lieu of a first offense of a health and safety violation. The bill would authorize the board to impose a fee to cover the reasonable regulatory cost of administering the program.

Existing law, the Barbering and Cosmetology Act, provides for the licensure and regulation of the practice of barbering and cosmetology by the State Board of Barbering and Cosmetology within the Department

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of Consumer Affairs. Existing law exempts specified persons from those requirements.

This bill would make nonsubstantive changes to those provisions.

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

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

SECTION 1. Section 7407.1 of the Business and Professions Code is amended to read:

7407.1. (a) The board shall determine by regulation when a fine shall be assessed to both the holder of the establishment license and the individual licensee for the same violation. The board shall also determine by regulation when a fine shall be assessed to only the holder of the establishment license or to only an individual licensee for the same violation. In making these determinations, the board shall consider the egregiousness of the violation of the health and safety regulations and whether the violation is a repeated violation by licensees within the same establishment.

- (b) (1) The board shall establish by regulation a board-offered remedial education program, in lieu of a first offense of a health and safety violation.
- (2) The board may impose a fee to cover the reasonable regulatory cost of administering the program described in paragraph (1).
- SECTION 1. Section 7319 of the Business and Professions Code is amended to read:
 - 7319. The following persons are exempt from this chapter:
- (a) All persons authorized by the laws of this state to practice medicine, surgery, dentistry, pharmacy, osteopathic medicine, ehiropractic, naturopathy, podiatry, or nursing and acting within the scope of practice for which they are licensed.
- (b) Commissioned officers of the United States Army, Navy, Air Force, Marine Corps, members of the United States Public Health Service, and attendants attached to those services when engaged in the actual performance of their official duties.
- (c) Persons employed to render barbering, cosmetology, or electrolysis services in the course of and incidental to the business of employers engaged in the theatrical, radio, television or motion picture production industry.

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(d) Persons engaged in any practice within its scope when done outside of a licensed establishment, without compensation.

- (e) Persons engaged in the administration of hair, skin, or nail products for the exclusive purpose of recommending, demonstrating, or selling those products.
- (f) Persons who render barbering or cosmetology services in an institutional program during the course of and incidental to the incarceration or confinement of inmates, prisoners, or persons charged with a crime. However, all of the following conditions shall apply:
- (1) Those persons shall complete a barbering training course, developed by the Department of Corrections and Rehabilitation and approved by the Department of Consumer Affairs, in the proper care of instruments and the prevention of infectious diseases.
- (2) Those persons shall successfully pass an examination, developed and administered by the Department of Corrections and Rehabilitation, on the proper care of instruments and the prevention of infectious diseases.
- (3) All barbering facilities located in correctional institutions shall be subject to all appropriate health and safety sanitation standards, as determined by the Department of Corrections and Rehabilitation.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Senator Nguyen Subject: Worker classification:

employees and independent contractors: licensed manicurists.

Bill Number: SB 451 Version: March 20, 2023

Existing Law:

Existing law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission. Under the ABC test, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. Existing law exempts specified occupations and business relationships from the application of the ABC test and instead provides that these exempt relationships are governed by the multifactor test previously adopted in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341. These exemptions include services provided by a licensed manicurist, subject to the manicurist meeting specified conditions. Existing law makes this exemption for licensed manicurists inoperative on January 1, 2025.

This Bill: This bill would make the exemption for manicurists inoperative on January 1, 2030.

Status: 03/20/2023 From committee with author's amendments. Read second time and amended. Re-referred to Committee on Labor, Public Employment and Retirement.

<u>Analysis:</u> This bill does not impact operations of the Board; however, it would impact manicurists operating as booth renters/independent contractors. This bill would allow manicurists to remain exempt from the ABC test like the other Board license types, however only until January 1, 2030. At the March 13, 2023, Legislative and Budget Committee meeting, the Committee voted to recommend a support position to the full Board, however at that time, the introduced bill deleted the inoperative date, making manicurists exempt indefinitely. On April 26, 2021, the Board took a Support position for AB 231 (Nguyen), which deleted the inoperative date.

Staff Position Recommendation: Support

<u>Action:</u> The Committee may make a motion to recommend a position to the full Board.

Introduced by Senator Nguyen

February 13, 2023

An act to amend Section 2778 of the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

SB 451, as amended, Nguyen. Worker classification: employees and independent contractors: licensed manicurists.

Existing law requires a 3-part test, commonly known as the "ABC" test, to determine if workers are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission. Under the ABC test, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. Existing law charges the Labor Commissioner with the enforcement of labor laws, including worker classification.

Existing law exempts specified occupations and business relationships from the application of the ABC test described above. Existing law, instead, provides that these exempt relationships are governed by the multifactor test previously adopted in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341. These exemptions include services provided by a licensed manicurist, subject

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to the manicurist meeting specified conditions. Existing law makes this exemption for licensed manicurists inoperative on January 1, 2025.

This bill would delete the January 1, 2025, inoperative date, thereby making licensed manieurists subject to this exemption indefinitely. extend the exemption for licensed manieurists, making it inoperative on January 1, 2030.

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

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

SECTION 1. Section 2778 of the Labor Code is amended to read:

- 2778. (a) Section 2775 and the holding in Dynamex do not apply to a contract for "professional services" as defined below, and instead the determination of whether the individual is an employee or independent contractor shall be governed by Borello if the hiring entity demonstrates that all of the following factors are satisfied:
- (1) The individual maintains a business location, which may include the individual's residence, that is separate from the hiring entity. Nothing in this paragraph prohibits an individual from choosing to perform services at the location of the hiring entity.
- (2) If work is performed more than six months after the effective date of this section and the work is performed in a jurisdiction that requires the individual to have a business license or business tax registration, the individual has the required business license or business tax registration in order to provide the services under the contract, in addition to any required professional licenses or permits for the individual to practice in their profession.
- (3) The individual has the ability to set or negotiate their own rates for the services performed.
- (4) Outside of project completion dates and reasonable business hours, the individual has the ability to set the individual's own hours.
- (5) The individual is customarily engaged in the same type of work performed under contract with another hiring entity or holds themselves out to other potential customers as available to perform the same type of work.

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(6) The individual customarily and regularly exercises discretion and independent judgment in the performance of the services.

(b) For purposes of this section:

- (1) An "individual" includes an individual providing services as a sole proprietor or other business entity.
- (2) "Professional services" means services that meet any of the following:
- (A) Marketing, provided that the contracted work is original and creative in character and the result of which depends primarily on the invention, imagination, or talent of the individual or work that is an essential part of or necessarily incident to any of the contracted work.
- (B) Administrator of human resources, provided that the contracted work is predominantly intellectual and varied in character and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.
 - (C) Travel agent services provided by either of the following:
- (i) A person regulated by the Attorney General under Article 2.6 (commencing with Section 17550) of Chapter 1 of Part 3 of Division 7 of the Business and Professions Code.
- (ii) An individual who is a seller of travel within the meaning of subdivision (a) of Section 17550.1 of the Business and Professions Code and who is exempt from the registration under subdivision (g) of Section 17550.20 of the Business and Professions Code.
- (D) Graphic design.
 - (E) Grant writer.
- (F) (i) Fine artist.
- (ii) For the purposes of this subparagraph, "fine artist" means an individual who creates works of art to be appreciated primarily or solely for their imaginative, aesthetic, or intellectual content, including drawings, paintings, sculptures, mosaics, works of calligraphy, works of graphic art, crafts, or mixed media.
- (G) Services provided by an enrolled agent who is licensed by the United States Department of the Treasury to practice before the Internal Revenue Service pursuant to Part 10 of Subtitle A of Title 31 of the Code of Federal Regulations.
- 39 (H) Payment processing agent through an independent sales 40 organization.

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- (I) Services provided by any of the following:
- 2 (i) By a still photographer, photojournalist, videographer, or 3 photo editor who works under a written contract that specifies the 4 rate of pay and obligation to pay by a defined time, as long as the 5 individual providing the services is not directly replacing an employee who performed the same work at the same volume for 6 the hiring entity; the individual does not primarily perform the work at the hiring entity's business location, notwithstanding paragraph (1) of subdivision (a); and the individual is not restricted from working for more than one hiring entity. This subclause is 10 not applicable to a still photographer, photojournalist, videographer, 12 or photo editor who works on motion pictures, which is inclusive of, but is not limited to, theatrical or commercial productions, 14 broadcast news, television, and music videos. Nothing in this section restricts a still photographer, photojournalist, photo editor, or videographer from distributing, licensing, or selling their work 16 product to another business, except as prohibited under copyright 18 laws or workplace collective bargaining agreements.
 - (ii) To a digital content aggregator by a still photographer, photojournalist, videographer, or photo editor.
 - (iii) For the purposes of this subparagraph the following definitions apply:
 - (I) "Photo editor" means an individual who performs services ancillary to the creation of digital content, such as retouching, editing, and keywording.
 - (II) "Digital content aggregator" means a licensing intermediary that obtains a license or assignment of copyright from a still photographer, photojournalist, videographer, or photo editor for the purposes of distributing that copyright by way of sublicense or assignment, to the intermediary's third-party end users.
 - (J) Services provided by a freelance writer, translator, editor, copy editor, illustrator, or newspaper cartoonist who works under a written contract that specifies the rate of pay, intellectual property rights, and obligation to pay by a defined time, as long as the individual providing the services is not directly replacing an employee who performed the same work at the same volume for the hiring entity; the individual does not primarily perform the work at the hiring entity's business location, notwithstanding paragraph (1) of subdivision (a); and the individual is not restricted from working for more than one hiring entity.

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(K) Services provided by an individual as a content contributor, adviser, producer, narrator, or cartographer for a journal, book, periodical, evaluation, other publication or educational, academic, or instructional work in any format or media, who works under a written contract that specifies the rate of pay, intellectual property rights, and obligation to pay by a defined time, as long as the individual providing the services is not directly replacing an employee who performed the same work at the same volume for the hiring entity, the individual does not primarily perform the work at the hiring entity's business location notwithstanding paragraph (1) of subdivision (a), and the individual is not restricted from working for more than one hiring entity.

- (L) Services provided by a licensed esthetician, licensed electrologist, licensed manicurist, licensed barber, or licensed cosmetologist provided that the individual:
- (i) Sets their own rates, processes their own payments, and is paid directly by clients.
- (ii) Sets their own hours of work and has sole discretion to decide the number of clients and which clients for whom they will provide services.
- (iii) Has their own book of business and schedules their own appointments.
- (iv) Maintains their own business license for the services offered to clients.
- (v) If the individual is performing services at the location of the hiring entity, then the individual issues a Form 1099 to the salon or business owner from which they rent their business space.
- (vi) This subparagraph shall become inoperative, with respect to licensed manicurists, on January 1, 2030.
- (M) A specialized performer hired by a performing arts company or organization to teach a master class for no more than one week. "Master class" means a specialized course for limited duration that is not regularly offered by the hiring entity and is taught by an expert in a recognized field of artistic endeavor who does not work for the hiring entity to teach on a regular basis.
- (N) Services provided by an appraiser, as defined in Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code.

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(O) Registered professional foresters licensed pursuant to Article 3 (commencing with Section 750) of Chapter 2.5 of Division 1 of the Public Resources Code.

- (c) Section 2775 and the holding in Dynamex do not apply to the following, which are subject to the Business and Professions Code:
- (1) A real estate licensee licensed by the State of California pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by subdivision (b) of Section 10032 of the Business and Professions Code. If that section is not applicable, then this determination shall be governed as follows:
- (A) For purposes of unemployment insurance by Section 650 of the Unemployment Insurance Code.
- (B) For purposes of workers' compensation by Section 3200 et seq.
- (C) For all other purposes in the Labor Code by Borello. The statutorily imposed duties of a responsible broker under Section 10015.1 of the Business and Professions Code are not factors to be considered under the Borello test.
- (2) A home inspector, as defined in Section 7195 of the Business and Professions Code, and subject to the provisions of Chapter 9.3 (commencing with Section 7195) of Division 3 of that code.
- (3) A repossession agency licensed pursuant to Section 7500.2 of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by Section 7500.2 of the Business and Professions Code, if the repossession agency is free from the control and direction of the hiring person or entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Senator Laird Subject: Bagley-Keene Open

Meeting Act: teleconferencing.

Bill Number: SB 544 Version: March 20, 2023

Existing Law:

Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act authorizes meetings through teleconference subject to specified requirements, including, among others, that the state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, that each teleconference location be accessible to the public, that the agenda provide an opportunity for members of the public to address the state body directly at each teleconference location, and that at least one member of the state body be physically present at the location specified in the notice of the meeting. Existing law, until July 1, 2023, authorizes, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and suspends certain requirements of the act, including the above-described teleconference requirements.

This Bill:

This bill would amend existing law that will remain operative after July 1, 2023, to remove indefinitely the teleconference requirements that a state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, and that each teleconference location be accessible to the public. The bill would require a state body to provide a means by which the public may remotely hear audio of the meeting, remotely observe the meeting, or attend the meeting by providing on the posted agenda a teleconference telephone number, an internet website or other online platform, and a physical address for at least one site, including, if available, access equivalent to the access for a member of the state body participating remotely. The bill would require any notice required by the act to specify the applicable teleconference telephone number, internet website or other online platform, and physical address indicating how the public can access the meeting remotely and in person. The bill would revise existing law to no longer require that members of the public have the opportunity to address the state body directly at each teleconference location, but would continue to require that the agenda provide an opportunity for members of the public to address the state body directly. The bill would require a member or staff to be physically present at the location specified in the notice of the meeting. This bill would require a state body that holds a meeting through teleconferencing

pursuant to the bill and allows members of the public to observe and address the meeting telephonically or otherwise electronically to implement and advertise, as prescribed, a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990.

<u>Status:</u> 03/29/2032 Re-referred to Governmental Organization Committee and Judiciary Committee.

Analysis: At the July 25, 2022 board meeting, the Board voted in favor of teleconference committee meetings and in-person full Board meetings with the option for hybrid if available. Teleconference meetings are a cost benefit because of the savings on travel and also makes it easier to schedule meetings. Having the option to hold teleconference meetings gives the Board more flexibility while still allowing public participation by call-in features.

Staff Position Recommendation: Support

Action: The Committee may make a motion to recommend a position to the full Board.

Introduced by Senator Laird

February 15, 2023

An act to amend Section 50280.1 11123 of the Government Code, relating to local *state* government.

LEGISLATIVE COUNSEL'S DIGEST

SB 544, as amended, Laird. Historical property contracts. Bagley-Keene Open Meeting Act: teleconferencing.

Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body be open and public and all persons be permitted to attend any meeting of a state body. The act authorizes meetings through teleconference subject to specified requirements, including, among others, that the state body post agendas at all teleconference locations, that each teleconference location be identified in the notice and agenda of the meeting or proceeding, that each teleconference location be accessible to the public, that the agenda provide an opportunity for members of the public to address the state body directly at each teleconference location, and that at least one member of the state body be physically present at the location specified in the notice of the meeting.

Existing law, until July 1, 2023, authorizes, subject to specified notice and accessibility requirements, a state body to hold public meetings through teleconferencing and suspends certain requirements of the act, including the above-described teleconference requirements.

This bill would amend existing law that will remain operative after July 1, 2023, to remove indefinitely the teleconference requirements that a state body post agendas at all teleconference locations, that each

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teleconference location be identified in the notice and agenda of the meeting or proceeding, and that each teleconference location be accessible to the public. The bill would require a state body to provide a means by which the public may remotely hear audio of the meeting, remotely observe the meeting, or attend the meeting by providing on the posted agenda a teleconference telephone number, an internet website or other online platform, and a physical address for at least one site, including, if available, access equivalent to the access for a member of the state body participating remotely. The bill would require any notice required by the act to specify the applicable teleconference telephone number, internet website or other online platform, and physical address indicating how the public can access the meeting remotely and in person. The bill would revise existing law to no longer require that members of the public have the opportunity to address the state body directly at each teleconference location, but would continue to require that the agenda provide an opportunity for members of the public to address the state body directly. The bill would require a member or staff to be physically present at the location specified in the notice of the meeting.

This bill would require a state body that holds a meeting through teleconferencing pursuant to the bill and allows members of the public to observe and address the meeting telephonically or otherwise electronically to implement and advertise, as prescribed, a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Existing law authorizes an owner of any qualified historical property, as defined, to contract with the legislative body of a city, county, or city and county, to restrict the use of the property, as specified, in exchange for lowered assessment values.

This bill would make nonsubstantive changes to the provisions that define a qualified historical property.

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

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

SECTION 1. Section 11123 of the Government Code is amended to read:

- 11123. (a) All meetings of a state body shall be open and public and all persons shall be permitted to attend any meeting of a state body except as otherwise provided in this article.
- (b) (1) This article does not prohibit a state body from holding an open or closed meeting by teleconference for the benefit of the public and state body. The meeting or proceeding held by teleconference shall otherwise comply with all applicable requirements or laws relating to a specific type of meeting or proceeding, including the following:
- (A) The teleconferencing meeting shall comply with all requirements of this article applicable to other meetings.
- (B) The portion of the teleconferenced meeting that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting.
- (C) If the state body elects to conduct a meeting or proceeding by teleconference, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the rights of any party or member of the public appearing before the state body. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. The state body shall provide a means by which the public may remotely hear audio of the meeting, remotely observe the meeting, or attend the meeting by providing on the posted agenda a teleconference telephone number, an internet website or other online platform, and a physical address for at least one site, including, if available, access equivalent to the access for a member of the state body participating remotely. The applicable teleconference telephone number, internet website or other online platform, and physical address indicating how the public can access the meeting remotely and in person shall be specified in any notice required by this article.
- (D) The agenda shall provide an opportunity for members of the public to address the state body directly pursuant to Section 11125.7 at each teleconference location. 11125.7.

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1 (E) All votes taken during a teleconferenced meeting shall be 2 by rollcall.

(E)

(F) The portion of the teleconferenced meeting that is closed to the public may not include the consideration of any agenda item being heard pursuant to Section 11125.5.

(F)

- (G) At least one member or staff of the state body shall be physically present at the location specified in the notice of the meeting.
- (2) For the purposes of this subdivision, "teleconference" means a meeting of a state body, the members of which are at different locations, connected by electronic means, through either audio or both audio and video. This section does not prohibit a state body from providing members of the public with additional locations in which the public may observe or address the state body by electronic means, through either audio or both audio and video.
- (c) If a state body holds a meeting through teleconferencing pursuant to this section and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the state body shall also do both of the following:
- (1) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), and resolving any doubt whatsoever in favor of accessibility.
- (2) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment.

(e)

- (d) The state body shall publicly report any action taken and the vote or abstention on that action of each member present for the action.
- (e) For purposes of this section, "participate remotely" means participation in a meeting at a location other than the physical location designated in the agenda of the meeting.
- SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 11123 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies

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within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

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- (a) By removing the requirement for agendas to be placed at the location of each public official participating in a public meeting remotely, including from the member's private home or hotel room, this act protects the personal, private information of public officials and their families while preserving the public's right to access information concerning the conduct of the people's business.
- (b) During the COVID-19 public health emergency, audio and video teleconference were widely used to conduct public meetings in lieu of physical location meetings, and those public meetings have been productive, increased public participation by all members of the public regardless of their location and ability to travel to physical meeting locations, increased the pool of people who are able to serve on these bodies, protected the health and safety of civil servants and the public, and have reduced travel costs incurred by members of state bodies and reduced work hours spent traveling to and from meetings.
- (c) Conducting audio and video teleconference meetings enhances public participation and the public's right of access to meetings of the public bodies by improving access for individuals that often face barriers to physical attendance.

SECTION 1. Section 50280.1 of the Government Code is amended to read:

- 50280.1. "Qualified historical property" for purposes of this article, means privately owned property that is not exempt from property taxation and that meets either of the following criteria:
- (a) The property is listed in the National Register of Historic Places or is located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations.
- (b) The property is listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.



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BOARD OF BARBERING & COSMETOLOGY BILL ANALYSIS

Author: Senator Roth Subject: Barbering and

cosmetology: application,

examination, and licensing fees.

Bill Number: SB 817 **Version:** February 17, 2023

Existing Law:

Existing law establishes in the Business, Consumer Services, and Housing Agency the Department of Consumer Affairs. Existing law establishes various boards within the department for the licensure, regulation, and discipline of various professions and vocations. Existing law establishes the Barbering and Cosmetology Act, under the administration of the State Board of Barbering and Cosmetology, for the licensure and regulation of barbers and cosmetologists. Existing law specifies a hairstylist's application and examination fee shall be \$50, or an amount as determined by the board, not to exceed the reasonable cost of developing, purchasing, grading, and administering the examination, and not to exceed \$50.

This Bill:

This bill would instead require that the hairstylist application and examination fee be the actual cost to the board for developing, purchasing, grading, and administering the examination, and limit a hairstylist's initial license fee to \$50.

Status: 03/29/2023 Set for hearing April 10.

Analysis: This is clean-up language to make the hairstylist application and examination fee consistent with the other scopes and allow the Board to charge the actual cost to the Board for developing, purchasing, grading, and administering the examination. It also clarifies that the hairstylist's initial license fee shall not be more than \$50.

Staff Position Recommendation: Support

Action: The Committee may make a motion to recommend a position to the full Board.

Introduced by Senator Roth

February 17, 2023

An act to amend Section 7423 of the Business and Professions Code, relating to professions.

LEGISLATIVE COUNSEL'S DIGEST

SB 817, as introduced, Roth. Barbering and cosmetology: application, examination, and licensing fees.

Existing law establishes in the Business, Consumer Services, and Housing Agency the Department of Consumer Affairs. Existing law establishes various boards within the department for the licensure, regulation, and discipline of various professions and vocations. Existing law establishes the Barbering and Cosmetology Act, under the administration of the State Board of Barbering and Cosmetology, for the licensure and regulation of barbers and cosmetologists. Existing law specifies a hairstylist's application and examination fee shall be \$50, or an amount as determined by the board, not to exceed the reasonable cost of developing, purchasing, grading, and administering the examination, and not to exceed \$50.

This bill would instead require that the hairstylist application and examination fee be the actual cost to the board for developing, purchasing, grading, and administering the examination, and limit a hairstylist's initial license fee to \$50.

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

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

- SECTION 1. Section 7423 of the Business and Professions Code is amended to read:
 - 7423. The amounts of the fees required by this chapter relating to licenses for individual practitioners are as follows:
 - (a) (1) Cosmetologist application and examination fee shall be the actual cost to the board for developing, purchasing, grading, and administering the examination.
 - (2) A cosmetologist initial license fee shall not be more than fifty dollars (\$50).
 - (b) (1) An esthetician application and examination fee shall be the actual cost to the board for developing, purchasing, grading, and administering the examination.
 - (2) An esthetician initial license fee shall not be more than forty dollars (\$40).
 - (c) (1) A manicurist application and examination fee shall be the actual cost to the board for developing, purchasing, grading, and administering the examination.
 - (2) A manicurist initial license fee shall not be more than thirty-five dollars (\$35).
 - (d) (1) A barber application and examination fee shall be the actual cost to the board for developing, purchasing, grading, and administering the examination.
- 23 (2) A barber initial license fee shall be not more than fifty dollars 24 (\$50).
 - (e) (1) An electrologist application and examination fee shall be the actual cost to the board for developing, purchasing, grading, and administering the examination.
 - (2) An electrologist initial license fee shall be not more than fifty dollars (\$50).
 - (f) An apprentice application and license fee shall be not more than twenty-five dollars (\$25).
 - (g) The license renewal fee for individual practitioner licenses that are subject to renewal shall be not more than fifty dollars (\$50).
- 35 (h) (1) A hairstylist application and examination fee shall be 36 fifty dollars (\$50) or a fee in an amount as determined by the board, 37 not to exceed the reasonable cost of the actual cost to the board

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for developing, purchasing, grading, and administering the examination, not to exceed fifty dollars (\$50). examination.

(2) A hairstylist's initial license fee shall be not more than fifty dollars (\$50).

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5 (i) Notwithstanding Section 163.5 the license renewal 6 delinquency fee shall be 50 percent of the renewal fee in effect on 7 the date of renewal.

Agenda Items No. 4-6 No Attachments