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AB-2574 Alcoholism or drug abuse recovery or treatment programs and facilities: disclosures. (2023-2024)

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Assembly Bill No. 2574

CHAPTER 410

An act to amend Section 11833.05 of the Health and Safety Code, relating to alcohol and drug programs.

[Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2574, Valencia. Alcoholism or drug abuse recovery or treatment programs and facilities: disclosures.

Existing law grants the sole authority in state government to the State Department of Health Care Services to certify alcohol or other drug programs and to license adult alcoholism or drug abuse recovery or treatment facilities. Existing law requires certified programs and licensed facilities to disclose specified information to the department, including ownership or a financial interest in a recovery residence, as defined, and contractual relationships with entities that provide recovery services to clients of certified programs or licensed facilities if the entity is not a part of a certified program or a licensed facility.

This bill would require a program or a licensed facility to disclose to the department if any of its agents, partners, directors, officers, or owners own or have a financial interest in a recovery residence and whether it has contractual relationships with entities that provide recovery services to clients of certified programs or licensed facilities if the entity is not a part of a certified program or a licensed facility.

This bill would incorporate additional changes to Section 11833.05 of the Health and Safety Code proposed by AB 2995 to be operative only if this bill and AB 2995 are enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 11833.05 of the Health and Safety Code is amended to read:

11833.05. (a) A program certified by the department pursuant to Chapter 7.1 (commencing with Section 11832) or a facility licensed by the department pursuant to Chapter 7.5 (commencing with Section 11834.01) shall disclose to the department if any of its agents, partners, directors, officers, or owners, including a sole proprietor and member, has either of the following:

- (1) Ownership or control of, or financial interest in, a recovery residence.
- (2) Any contractual relationship with an entity that regularly provides professional services or addiction treatment or recovery services to clients of programs certified or facilities licensed by the department, if the entity is not part of the program certified or facility licensed by the department.

(b) All programs certified or facilities licensed by the department shall make the disclosures pursuant to subdivision (a) upon initial licensure or certification, upon renewal of licensure or certification, and upon a licensed facility or certified program acquiring or starting a relationship that meets the description in paragraph (1) or (2) of subdivision (a).

(c) The department may suspend or revoke the certification of a program or license of a facility for failing to disclose the information required in subdivision (a).

(d) The department shall take action pursuant to Section 11834.31 against an unlicensed facility that is disclosed as a recovery residence pursuant to paragraph (1) of subdivision (a). This subdivision does not require an investigation of a recovery residence that is not alleged to be operating in violation of Section 11834.30.

(e) The department may refer a substantiated complaint against a recovery residence to other enforcement entities as appropriate under state or federal law, including the Department of Insurance, the Department of Managed Health Care, the Attorney General, and the United States Attorney General.

(f) For the purposes of this section, "recovery residence" means a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department or does not provide licensable services, pursuant to Chapter 7.5 (commencing with Section 11834.01). A recovery residence may include, but is not limited to, residential dwellings commonly referred to as "sober living homes," "sober living environments," or "unlicensed alcohol and drug free residences."

SEC. 1.5. Section 11833.05 of the Health and Safety Code is amended to read:

11833.05. (a) A program certified by the department pursuant to Chapter 7.1 (commencing with Section 11832) or a facility licensed by the department pursuant to Chapter 7.5 (commencing with Section 11834.01) shall disclose to the department if any of its agents, partners, directors, officers, or owners, including a sole proprietor and member, has either of the following:

(1) Ownership or control of, or financial interest in, a recovery residence.

(2) Any contractual relationship with an entity that regularly provides professional services or substance use disorder treatment or recovery services to clients of programs certified or facilities licensed by the department, if the entity is not part of the program certified or facility licensed by the department.

(b) All programs certified or facilities licensed by the department shall make the disclosures pursuant to subdivision (a) upon initial licensure or certification, upon renewal of licensure or certification, and upon a licensed facility or certified program acquiring or starting a relationship that meets the description in paragraph (1) or (2) of subdivision (a).

(c) The department may suspend or revoke the certification of a program or license of a facility for failing to disclose the information required in subdivision (a).

(d) The department shall take action pursuant to Section 11834.31 against an unlicensed facility that is disclosed as a recovery residence pursuant to paragraph (1) of subdivision (a). This subdivision does not require an investigation of a recovery residence that is not alleged to be operating in violation of Section 11834.30.

(e) The department may refer a substantiated complaint against a recovery residence to other enforcement entities as appropriate under state or federal law, including the Department of Insurance, the Department of Managed Health Care, the Attorney General, and the United States Attorney General.

(f) For the purposes of this section, "recovery residence" means a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department or does not provide licensable services, pursuant to Chapter 7.5 (commencing with Section 11834.01). A recovery residence may include, but is not limited to, residential dwellings commonly referred to as "sober living homes," "sober living environments," or "unlicensed alcohol and drug free residences."

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 11833.05 of the Health and Safety Code proposed by both this bill and Assembly Bill 2995. That section of this bill shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2025, (2) each bill amends Section 11833.05 of the Health and Safety Code, and (3) this bill is enacted after Assembly Bill 2995, in which case Section 1 of this bill shall not become operative.