



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

**SB-814 Household goods and services.** (2023-2024)

SHARE THIS:  

Date Published: 10/10/2023 02:00 PM

**Senate Bill No. 814**

**CHAPTER 508**

An act to amend Sections 9801, 9810, 9812, 9812.5, 9814, 9814.5, 9830.5, 9832.5, 9847.5, 9849, 9851, 9853, 9855, 9855.9, 9860, 9862.5, 9863, 9870, 9871, 9872, 9873, 9874, 19002, 19063, 19064, 19094, 19174, 19211, 19212, 19214, 19225.5, 19229, and 19239 of, to amend, repeal, and add Section 205 of, and to add and repeal Sections 9874.5, 19174.5, 19229.5 of, the Business and Professions Code, relating to professions and vocations.

[ Approved by Governor October 08, 2023. Filed with Secretary of State October 08, 2023. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 814, Roth. Household goods and services.

(1) Existing law, the Electronic and Appliance Repair Dealer Registration Law, establishes the Bureau of Household Goods and Services, under the direction of a chief who is responsible to the Director of Consumer Affairs, and provides for the licensure and regulation of, among others, electronic and appliance repair dealers and service contractors by the bureau. A violation of its provisions is a crime. Existing law repeals those provisions relating to service contractors on January 1, 2024.

This bill would extend operation of those provisions relating to service contractors until January 1, 2028. Because a violation of those provisions is a crime, the bill would impose a state-mandated local program.

Existing law prohibits acting as a service dealer without obtaining registration under the law and defines "service dealer" for this purpose to include, among other things, a person who for compensation repairs, services, or maintains an electronic set or major appliance. Existing law defines various terms for purposes of the law, including, among other things, "electronic set," "appliance," and "video game."

This bill would amend the definition of "electronic set" to additionally include a cellular device or any other device that depends for its functioning on digital electronics, as specified. The bill would expand the definition of "appliance" to mean any device primarily used for residential purposes, including an ice maker, dehumidifier, and portable residential furnace. The bill would amend the definition of "video game" to remove the requirement that it has its own cathode ray tube, television set, or monitor. By expanding the definition of "service dealer" for purposes of the law, the violation of which is a crime, this bill would impose a state-mandated local program.

Existing law requires the director, on their own initiative, to conduct spot check investigations of service dealers of specified electronics and appliances throughout the state on a continuous basis.

This bill would require the director to conduct spot check investigations, as described above, no less than twice per year.

Existing law requires the director to distribute to each registered service dealer and each registered service contractor copies of these provisions and of the regulations adopted under these provisions.

This bill would authorize the director to, alternatively, make those provisions and regulations available on its internet website.

Under existing law, registration under the Electronic and Appliance Repair Dealer Registration Law expires no more than 12 months after the issue date. Existing law provides for the renewal of both unexpired and expired registrations, as specified.

This bill would authorize the bureau to impose conditions on the renewal of an expired registration of a service contractor. The bill would cancel a registration of a service contractor that has not been renewed within 6 years of its issuance and would authorize a holder of a canceled registration to submit a new application for reissuance or reinstatement of the registration if specified requirements are met.

(2) Existing law, the Home Furnishings and Thermal Insulation Act, prohibits any person from engaging in business regulated by the act unless they hold a valid, unexpired license, as specified. Existing law defines "person" for this purpose.

This bill would expand the definition of "person" to include a limited liability company and would make conforming changes.

Existing law imposes various labeling requirements, including requiring a manufacturer of a covered product to indicate whether or not the product contains added flame retardant chemicals by including a flame retardant chemical statement on the label, as specified. Existing law requires the manufacturer to retain documentation to show whether flame retardant chemicals were added to a product sold in California and to provide documentation upon request of the bureau establishing the accuracy of the flame retardant chemical statement on the label. Existing law imposes fines for a violation of those documentation requirements.

This bill would delete the above-described documentation requirements and would make conforming changes.

(3) Existing law, the Household Movers Act, provides for the licensure and regulation of household movers, including corporations and persons, as defined, by the Division of Household Movers established within the bureau.

This bill would add to the definition of "corporation" a limited liability company and would make conforming changes.

Existing law requires the bureau to issue a permit only to those applicants who it finds have demonstrated that they possess sufficient knowledge, ability, integrity, and financial resources and responsibility to perform the service within the scope of their application.

This bill would delete that requirement.

(4) Existing law subjects the powers and duties of the bureau to review by the appropriate policy committees of the Legislature and requires this review to be performed as if the laws administered by the bureau were scheduled to be repealed on January 1, 2024.

This bill would instead require this review to be performed as if those laws were scheduled to be repealed on January 1, 2028.

(5) Existing law, the Electronic and Appliance Repair Dealer Registration Law, establishes the Electronic and Appliance Repair Fund, and requires all fees collected pursuant to that law to be deposited in the fund and used for the administration of the bureau and the administration of that law. Existing law, the Home Furnishings and Thermal Insulation Act, establishes the Home Furnishings and Thermal Insulation Fund to be expended for the purposes of the bureau in carrying out the act. Existing law requires all fees collected under the act to be credited to the fund. Existing law, the Household Movers Act, establishes the Household Movers Fund to be used by the bureau for the administration of the act and requires all moneys collected pursuant to the act to be deposited into the fund.

This bill would establish the Household Goods and Services Fund within the Professions and Vocations Fund to be administered by the bureau for the purposes of administering the Electronic and Appliance Repair Dealer Registration Law, the Home Furnishings and Thermal Insulation Act, and the Household Movers Act. The bill would require all moneys collected pursuant to those laws to instead be deposited in the Household Goods and Services Fund and would require all moneys in the above-described funds to be transferred to the Household Goods and Services Fund by July 1, 2026. The bill would abolish the Electronic and Appliance Repair Fund, the Home Furnishings and Thermal Insulation Fund, and the Household Movers Fund on July 1, 2026.

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

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

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

---

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

**SECTION 1.** Section 205 of the Business and Professions Code is amended to read:

**205.** (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery and Funeral Fund.
- (6) Contractors License Fund.
- (7) State Dentistry Fund.
- (8) Home Furnishings and Thermal Insulation Fund.
- (9) California Architects Board-Landscape Architects Fund.
- (10) Contingent Fund of the Medical Board of California.
- (11) Optometry Fund.
- (12) Pharmacy Board Contingent Fund.
- (13) Physical Therapy Fund.
- (14) Private Security Services Fund.
- (15) Professional Engineer's, Land Surveyor's, and Geologist's Fund.
- (16) Consumer Affairs Fund.
- (17) Behavioral Sciences Fund.
- (18) Licensed Midwifery Fund.
- (19) Court Reporters' Fund.
- (20) Veterinary Medical Board Contingent Fund.
- (21) Vocational Nursing and Psychiatric Technicians Fund.
- (22) Electronic and Appliance Repair Fund.
- (23) Acupuncture Fund.
- (24) Physician Assistant Fund.
- (25) Board of Podiatric Medicine Fund.
- (26) Psychology Fund.
- (27) Respiratory Care Fund.
- (28) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.
- (29) Board of Registered Nursing Fund.
- (30) Animal Health Technician Examining Committee Fund.
- (31) State Dental Hygiene Fund.
- (32) Structural Pest Control Fund.
- (33) Structural Pest Control Education and Enforcement Fund.

(34) Structural Pest Control Research Fund.

(35) Household Movers Fund.

(36) Household Goods and Services Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall remain in effect only until July 1, 2026, and as of that date is repealed.

**SEC. 2.** Section 205 is added to the Business and Professions Code, to read:

**205.** (a) There is in the State Treasury the Professions and Vocations Fund. The fund shall consist of the following special funds:

(1) Accountancy Fund.

(2) California Architects Board Fund.

(3) Athletic Commission Fund.

(4) Barbering and Cosmetology Contingent Fund.

(5) Cemetery and Funeral Fund.

(6) Contractors License Fund.

(7) State Dentistry Fund.

(8) California Architects Board-Landscape Architects Fund.

(9) Contingent Fund of the Medical Board of California.

(10) Optometry Fund.

(11) Pharmacy Board Contingent Fund.

(12) Physical Therapy Fund.

(13) Private Security Services Fund.

(14) Professional Engineer's, Land Surveyor's, and Geologist's Fund.

(15) Consumer Affairs Fund.

(16) Behavioral Sciences Fund.

(17) Licensed Midwifery Fund.

(18) Court Reporters' Fund.

(19) Veterinary Medical Board Contingent Fund.

(20) Vocational Nursing and Psychiatric Technicians Fund.

(21) Acupuncture Fund.

(22) Physician Assistant Fund.

(23) Board of Podiatric Medicine Fund.

(24) Psychology Fund.

(25) Respiratory Care Fund.

(26) Speech-Language Pathology and Audiology and Hearing Aid Dispensers Fund.

(27) Board of Registered Nursing Fund.

(28) Animal Health Technician Examining Committee Fund.

(29) State Dental Hygiene Fund.

(30) Structural Pest Control Fund.

(31) Structural Pest Control Education and Enforcement Fund.

(32) Structural Pest Control Research Fund.

(33) Household Goods and Services Fund.

(b) For accounting and recordkeeping purposes, the Professions and Vocations Fund shall be deemed to be a single special fund, and each of the several special funds therein shall constitute and be deemed to be a separate account in the Professions and Vocations Fund. Each account or fund shall be available for expenditure only for the purposes as are now or may hereafter be provided by law.

(c) This section shall become operative on July 1, 2026.

**SEC. 3.** Section 9801 of the Business and Professions Code is amended to read:

**9801.** The following terms as used in this chapter have the meaning expressed in this section:

(a) "Person" includes a firm, partnership, association, limited liability company, or corporation.

(b) "Department" means the Department of Consumer Affairs.

(c) "Director" means the Director of Consumer Affairs.

(d) "Bureau" means the Bureau of Household Goods and Services.

(e) "Chief" means the Chief of the Bureau of Household Goods and Services.

(f) "Service dealer" means a person who, for compensation, engages in, or holds themselves out to the public as offering services in the business of:

(1) Repairing, servicing, or maintaining an electronic set normally used or sold for personal, family, household, or home office use.

(2) Installing, repairing, servicing, or maintaining equipment or a burglar alarm system for use in private motor vehicles.

(3) Installing, repairing, servicing, or maintaining television or radio receiver antennas, rotators, and accessories or direct satellite signal receiving equipment located on or adjacent to a residence and not involving a function that is subject to and regulated under the provisions of Chapter 9 (commencing with Section 7000).

(4) Repairing, servicing, or maintaining major appliances.

(g) "Equipment" for the purposes of this chapter means an electronic set, appliance, antenna, rotator, and accessories.

(h) "Electronic set" includes, but is not limited to, any television, radio, audio or video recorder or playback equipment, video camera, video game, video monitor, computer system, cellular device, such as a telephone or tablet, photocopier, facsimile machine, or any other device that depends for its functioning, in whole or in part, on any digital electronic embedded or attached to the product and has a value over ten dollars (\$10) and is normally used or sold for personal, family, household, or home office use.

(i) "Appliance" or "major home appliance" means any device primarily used for residential purposes, including, but not limited to, any refrigerator, freezer, range, microwave oven, washer, dryer, dishwasher, trash compactor, ice maker, dehumidifier, residential portable furnace, or room air-conditioner normally used or sold for personal, family, household, or home office use, or for use in private motor vehicles.

(j) "Antenna" includes, but is not limited to, a resonant device designed especially for the purpose of capturing electromagnetic energy transmitted by direct satellite or commercial radio or television broadcasting facilities. An antenna and its associated accessories are not deemed to be a part of a set and shall be considered, under this section, to be located outside or in the attic of a residence.

(k) "Rotator," when used in connection with an antenna installation or repair, includes, but is not limited to, an electromechanical device operated from a remote location to rotate an antenna on a horizontal plane. A rotator and its associated accessories are

not deemed to be a part of a set and shall be considered under this section, with the exception of the directional control unit, to be located outside or in the attic of a residence.

(l) "Accessories," when used in connection with an antenna or rotator installation or repair, includes, but is not limited to, masts, towers, clamps, guy wires, eye hooks, standoff insulators, roof saddles, vent pipe mounts, chimney mount kits, signal amplifiers/boosters, multiset couplers, transmission lines, control cables, directional control units, and other devices as may be used from time to time to effect installation or repair.

(m) "Computer system" includes, but is not limited to, a central processing unit that performs data manipulation functions, and any associated peripheral devices, including, but not limited to, keyboards, display terminals, printers, or disk drives.

(n) "Video game" includes, but is not limited to, any electronic amusement device that utilizes a computer, microprocessor, or similar electronic circuitry.

(o) "Direct satellite signal receiving equipment" includes, but is not limited to, receivers, down converters, amplifiers, and audio or video processors related to the reception of audio, video, or data signals broadcasted or rebroadcasted by communication satellites located in space.

(p) "Electronic repair industry" means those activities defined in paragraph (1), (2), or (3) of subdivision (f).

(q) "Appliance repair industry" means those activities defined in paragraph (4) of subdivision (f).

**SEC. 4.** Section 9810 of the Business and Professions Code is amended to read:

**9810.** (a) (1) There is in the Department of Consumer Affairs a Bureau of Household Goods and Services, under the supervision and control of the director. The director shall administer and enforce the provisions of this chapter and Chapter 3 (commencing with Section 19000) and Chapter 3.1 (commencing with Section 19225) of Division 8.

(2) There is a Division of Household Movers within the bureau for purposes of administering Chapter 3.1 (commencing with Section 19225) of Division 8. The Division of Household Movers shall be overseen by the chief of the bureau.

(b) The Governor shall appoint, subject to confirmation by the Senate, a chief of the bureau at a salary to be fixed and determined by the director with the approval of the Director of Finance. The chief shall serve under the direction and supervision of the director and at the pleasure of the Governor.

(c) Every power granted to or duty imposed upon the director under this chapter and Chapter 3 (commencing with Section 19000) and Chapter 3.1 (commencing with Section 19225) of Division 8 may be exercised or performed in the name of the director by a deputy or assistant director or by the chief, subject to conditions and limitations that the director may prescribe.

(d) Whenever the laws of this state refer to the Bureau of Electronic Repair Dealer Registration or the Bureau of Electronic and Appliance Repair, the reference shall be construed to be to the Bureau of Household Goods and Services.

(e) Notwithstanding any other law, the powers and duties of the Bureau of Household Goods and Services, as set forth in this chapter and Chapter 3 (commencing with Section 19000) and Chapter 3.1 (commencing with Section 19225) of Division 8, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter and Chapter 3 (commencing with Section 19000) and Chapter 3.1 (commencing with Section 19225) of Division 8 were scheduled to be repealed on January 1, 2028.

**SEC. 5.** Section 9812 of the Business and Professions Code is amended to read:

**9812.** The director shall gather evidence of violations of this chapter and of any regulation established hereunder, by any service dealer, whether registered or not, and by any employee, partner, officer, or member of any service dealer. The director shall, on their own initiative, conduct spot check investigations of service dealers throughout the state on a continuous basis, but no less than twice per year.

**SEC. 6.** Section 9812.5 of the Business and Professions Code is amended to read:

**9812.5.** The director shall gather evidence of violations of this chapter and of any regulation established hereunder by any service contractor, whether registered or not, and by any employee, partner, officer, or member of any service contractor. The director shall, on their own initiative, conduct spot check investigations of service contractors throughout the state on a continuous basis.

This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 7.** Section 9814 of the Business and Professions Code is amended to read:

**9814.** The director may establish and enforce regulations as may be reasonable for the conduct of service dealers and for the general enforcement of the various provisions of this chapter in the protection of the public. The director may, by regulation, define the scope of the terms described in subdivisions (g) to (q), inclusive, of Section 9801 to include items of the same general nature or class as those enumerated therein. The director shall either make available on its internet website or distribute to each registered service dealer copies of this chapter and of the regulations thereunder. These regulations shall be adopted, amended, or repealed in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

**SEC. 8.** Section 9814.5 of the Business and Professions Code is amended to read:

**9814.5.** The director may establish and enforce reasonable regulations for the conduct of service contractors, and for the general enforcement of the various provisions of this chapter in the protection of the public. The director shall either make available on its internet website or distribute to each registered service contractor copies of this chapter and of the regulations adopted under this chapter. Regulations shall be adopted, amended, or repealed in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

**SEC. 9.** Section 9830.5 of the Business and Professions Code is amended to read:

**9830.5.** (a) Each service contractor shall pay the fee required by this chapter for each place of business operated by them in this state and shall register with the bureau upon forms prescribed by the director. The forms shall contain sufficient information to identify the service contractor, including name, address, retail seller's permit number, if a permit is required under the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), a copy of the certificate of qualification as filed with the Secretary of State if the service contractor is a foreign corporation, and other identifying data to be prescribed by the bureau. If the business is to be carried on under a fictitious name, that fictitious name shall be stated. If the service contractor is a partnership, identifying data shall be stated for each partner. If the service contractor is a private company that does not file an annual report on Form 10-K with the Securities and Exchange Commission, data shall be included for each of the officers and directors of the company as well as for the individual in charge of each place of the service contractor's business in the State of California, subject to any regulations the director may adopt. If the service contractor is a publicly held corporation or a private company that files an annual report on Form 10-K with the Securities and Exchange Commission, it shall be sufficient for purposes of providing data for each of the officers and directors of the corporation or company to file with the director the most recent annual report on Form 10-K that is filed with the Securities and Exchange Commission.

(b) A service contractor who does not operate a place of business in this state but who sells, issues, or administers service contracts in this state, shall hold a valid registration issued by the bureau and shall pay the registration fee required by this chapter as if they had a place of business in this state.

(c) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 10.** Section 9832.5 of the Business and Professions Code is amended to read:

**9832.5.** (a) Registrations issued under this chapter shall expire no more than 12 months after the issue date. The expiration date of registrations shall be set by the director in a manner to best distribute renewal procedures throughout the year.

(b) To renew an unexpired registration, the service contractor shall, on or before the expiration date of the registration, apply for renewal on a form prescribed by the director, and pay the renewal fee prescribed by this chapter.

(c) To renew an expired registration, the service contractor shall apply for renewal on a form prescribed by the director, pay the renewal fee in effect on the last regular renewal date, and pay all accrued and unpaid delinquency and renewal fees. The bureau may impose conditions on a registration issued pursuant to this subdivision.

(d) Renewal is effective on the date that the application is filed, the renewal fee is paid, and all delinquency fees are paid.

(e) For purposes of implementing the distribution of the renewal of registrations throughout the year, the director may extend, by not more than six months, the date fixed by law for renewal of a registration, except that, in that event, any renewal fee that may be involved shall be prorated in such a manner that no person shall be required to pay a greater or lesser fee than would have been required had the change in renewal dates not occurred.

(f) A registration that is not renewed within six years of its expiration shall be canceled, but if the holder of the registration submits a new application and meets all of the following requirements, the registration may be reissued or reinstated:

(1) No fact, circumstance, or condition exists which would justify denial of registration under Section 480.

(2) The registrant pays all renewal, delinquency, and penalty fees that have accrued since the date on which the registration was last renewed.

(g) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 11.** Section 9847.5 of the Business and Professions Code is amended to read:

**9847.5.** (a) Each service contractor shall maintain those records as are required by the regulations adopted to carry out the provisions of this chapter for a period of at least three years. These records shall be open for reasonable inspection by the director or other law enforcement officials.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 12.** Section 9849 of the Business and Professions Code, as amended by Section 81 of Chapter 625 of the Statutes of 2022, is amended to read:

**9849.** (a) The expiration of a valid registration shall not deprive the director of jurisdiction to proceed with any investigation or hearing on a cease and desist order against a service dealer or service contractor or to render a decision to suspend, revoke, or place on probation a registration.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 13.** Section 9849 of the Business and Professions Code, as amended by Section 82 of Chapter 625 of the Statutes of 2022, is amended to read:

**9849.** (a) The expiration of a valid registration shall not deprive the director of jurisdiction to proceed with any investigation or hearing on a cease and desist order against a service dealer or to render a decision to suspend, revoke, or place on probation a registration.

(b) This section shall become operative on January 1, 2028.

**SEC. 14.** Section 9851 of the Business and Professions Code, as amended by Section 83 of Chapter 625 of the Statutes of 2022, is amended to read:

**9851.** (a) The superior court in and for the county wherein any person carries on, or attempts to carry on, business as a service dealer or service contractor in violation of the provisions of this chapter, or any regulation thereunder, shall, on application of the director, issue an injunction or other appropriate order restraining that conduct.

(b) The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the director shall not be required to allege facts necessary to show or tending to show lack of an adequate remedy at law or irreparable injury.

(c) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 15.** Section 9851 of the Business and Professions Code, as amended by Section 84 of Chapter 625 of the Statutes of 2022, is amended to read:

**9851.** (a) The superior court in and for the county wherein any person carries on, or attempts to carry on, business as a service dealer in violation of the provisions of this chapter, or any regulation thereunder, shall, on application of the director, issue an injunction or other appropriate order restraining that conduct.

(b) The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that the director shall not be required to allege facts necessary to show or tending to show lack of an adequate remedy at law or irreparable injury.

(c) This section shall become operative on January 1, 2028.

**SEC. 16.** Section 9853 of the Business and Professions Code, as amended by Section 85 of Chapter 625 of the Statutes of 2022, is amended to read:

**9853.** (a) A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge substantially related to the qualifications, functions, and duties of a service dealer or service contractor is deemed to be a conviction within the meaning of this article. The director may suspend, revoke, or place on probation a registration, or may deny registration, when the time for



appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code, allowing that person to withdraw their plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 17.** Section 9853 of the Business and Professions Code, as amended by Section 86 of Chapter 625 of the Statutes of 2022, is amended to read:

**9853.** (a) A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge substantially related to the qualifications, functions, and duties of a service dealer is deemed to be a conviction within the meaning of this article. The director may suspend, revoke, or place on probation a registration, or may deny registration, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing that person to withdraw their plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

(b) This section shall become operative January 1, 2028.

**SEC. 18.** Section 9855 of the Business and Professions Code is amended to read:

**9855.** The definitions used in this section shall govern the construction and terms as used in this chapter:

(a) "Service contract" means a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance, replacement, or repair of consumer goods and may include provisions for incidental payment of indemnity under limited circumstances, including, but not limited to, power surges, food spoilage, or accidental damage from handling. "Service contract" shall not include a contract in writing to maintain structural wiring associated with the delivery of cable, telephone, or other broadband communications services. "Service contract" shall not include a contract in which a consumer agrees to pay a provider of vision care services for a discount on optical products or contact lenses for a specified duration.

(b) "Service contract administrator" or "administrator" means a person who performs or arranges the collection, maintenance, or disbursement of moneys to compensate any party for claims or repairs pursuant to a service contract, and who also performs or arranges any of the following activities on behalf of service contract sellers:

- (1) Providing service contract sellers with service contract forms.
- (2) Participating in the adjustment of claims arising from service contracts.
- (3) Arranging on behalf of service contract sellers the insurance required by Section 9855.2.

A service contract administrator shall not be an obligor on a service contract unless all service contracts under which the service contract administrator is obligated to perform are insured under a service contract reimbursement insurance policy.

(c) (1) "Service contract seller" or "seller" means a person who sells or offers to sell a service contract to a service contractholder, including a person who is the obligor under a service contract sold by the seller, manufacturer, or repairer of the product covered by the service contract.

(2) "Service contract seller" or "seller" also means a third party, including an obligor, who is not the seller, manufacturer, or repairer of the product. However, a third party shall not be an obligor on a service contract unless the obligor obtains a service contract reimbursement insurance policy for all service contracts under which the third party is obligated under the terms of a service contract.

(3) "Service contract seller" or "seller" shall not include the following:

(A) A bank or bank holding company, or the subsidiary or affiliate of either, or a financial institution, licensed under state or federal law, selling or offering to sell a service contract unless that entity is financially and legally obligated under the terms of a service contract.

(B) An electrical device manufacturer or electrical contractor who constructs, installs, or services electrical devices, which include any unit of an electrical system intended to carry electrical energy as part of a building's electrical system, including raceways, conductors, invertors, conduit, wires, switches, or other similar devices.

(d) "Service contractholder" means a person who purchases or receives a service contract from a service contract seller.

(e) "Service contractor" means a service contract administrator or a service contract seller.

(f) "Service contract reimbursement insurance policy" means a policy of insurance issued by an insurer admitted to do business in this state providing coverage for all obligations and liabilities incurred by a service contract seller under the terms of the service contracts sold in this state by the service contract seller to a service contractholder. The service contract reimbursement insurance policy shall either cover all service contracts sold or specifically cover those contracts sold to residents of the State of California.

(g) "Obligor" is the entity financially and legally obligated under the terms of a service contract.

(h) "Optical products" means prescription and nonprescription eyewear. "Optical products" shall not include contact lenses of any kind.

(i) The terms "manufacturer," "retail seller," "retailer," and "sale" shall have the same meanings ascribed to them in Section 1791 of the Civil Code.

(j) "Consumer goods" means any new or used product or part thereof that is used, bought, or leased for use primarily for personal, family, or household purposes, including assistive devices.

**SEC. 19.** Section 9855.9 of the Business and Professions Code is amended to read:

**9855.9.** This article shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 20.** Section 9860 of the Business and Professions Code, as amended by Section 88 of Chapter 625 of the Statutes of 2022, is amended to read:

**9860.** (a) The director shall establish procedures for accepting complaints from the public against any service dealer or service contractor.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 21.** Section 9860 of the Business and Professions Code, as amended by Section 89 of Chapter 625 of the Statutes of 2022, is amended to read:

**9860.** (a) The director shall establish procedures for accepting complaints from the public against any service dealer.

(b) This section shall become operative on January 1, 2028.

**SEC. 22.** Section 9862.5 of the Business and Professions Code is amended to read:

**9862.5.** (a) If a complaint indicates a possible violation of this chapter or of the regulations adopted pursuant to this chapter, the director may advise the service contractor of the contents of the complaint and, if the service contractor is so advised, the director shall make a summary investigation of the facts after the service contractor has had reasonable opportunity to reply thereto.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 23.** Section 9863 of the Business and Professions Code, as amended by Section 91 of Chapter 625 of the Statutes of 2022, is amended to read:

**9863.** (a) If, upon summary investigation, it appears probable to the director that a violation of this chapter, or the regulations thereunder, has occurred, the director, in their discretion, may suggest measures that in the director's judgment would compensate the complainant for the damages they suffered as a result of the alleged violation. If the service dealer or service contractor accepts the director's suggestions and performs accordingly, the director shall give that fact due consideration in any subsequent disciplinary proceeding. If the service dealer or service contractor declines to abide by the suggestions of the director, the director may investigate further and may institute disciplinary proceedings in accordance with the provisions of this chapter.

(b) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 24.** Section 9863 of the Business and Professions Code, as amended by Section 92 of Chapter 625 of the Statutes of 2022, is amended to read:

**9863.** (a) If, upon summary investigation, it appears probable to the director that a violation of this chapter, or the regulations thereunder, has occurred, the director, in their discretion, may suggest measures that in the director's judgment would

compensate the complainant for the damages they suffered as a result of the alleged violation. If the service dealer accepts the director's suggestions and performs accordingly, the director shall give that fact due consideration in any subsequent disciplinary proceeding. If the service dealer declines to abide by the suggestions of the director, the director may investigate further and may institute disciplinary proceedings in accordance with the provisions of this chapter.

(b) This section shall become operative on January 1, 2028.

**SEC. 25.** Section 9870 of the Business and Professions Code is amended to read:

**9870.** All fees collected pursuant to this chapter shall be paid into the State Treasury to the credit of the Household Goods and Services Fund, which fund is hereby created.

**SEC. 26.** Section 9871 of the Business and Professions Code is amended to read:

**9871.** The director shall report to the State Controller at the beginning of each month, for the month preceding, the amount and source of all revenue received by the bureau pursuant to this chapter, and at that time shall pay the entire amount thereof into the State Treasury for credit to the Household Goods and Services Fund.

**SEC. 27.** Section 9872 of the Business and Professions Code is amended to read:

**9872.** The money in the Household Goods and Services Fund necessary for the administration of the bureau and the administration of this chapter shall be used for those purposes.

**SEC. 28.** Section 9873 of the Business and Professions Code, as amended by Section 93 of Chapter 625 of the Statutes of 2022, is amended to read:

**9873.** The fees prescribed by this chapter shall be set by the director by regulation, according to the following schedule:

(a) (1) The initial registration fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state. The initial registration fee for a service contractor is not more than ninety-five dollars (\$95) for each place of business in this state.

(2) The initial registration fee for a person who engages in business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred five dollars (\$405) for each place of business in this state. The initial registration fee for a person who is a service contractor and engages in business as either an electronic repair industry service dealer or an appliance repair industry service dealer is not more than three hundred dollars (\$300) for each place of business in this state.

(3) The initial registration fee for a person who engages in both the electronic repair industry and the appliance repair industry as a service dealer and is a service contractor is not more than five hundred dollars (\$500) for each place of business in this state.

(4) A service dealer or service contractor who does not operate a place of business in this state, but engages in the electronic repair industry or the appliance repair industry, or sells, issues, or administers service contracts in this state, shall pay the registration fee specified herein as if that service dealer or service contractor had a place of business in this state.

(b) (1) The annual registration renewal fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state, if renewed prior to its expiration date. The annual registration renewal fee for a service contractor is ninety-five dollars (\$95) for each place of business in this state, if renewed prior to its expiration date.

(2) The annual renewal fee for a service dealer who engages in the business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred dollars (\$400) for each place of business in this state.

(3) The annual renewal fee for a service dealer who engages in the electronic repair industry and the appliance repair industry and is a service contractor is not more than four hundred seventy-five dollars (\$475) for each place of business in this state.

(4) A service dealer or service contractor who does not operate a place of business in this state, but who engages in the electronic repair industry or the appliance repair industry, or sells or issues service contracts in this state, shall pay the renewal fee specified herein as if that service dealer or service contractor had a place of business in this state.

(c) The delinquency fee is an amount equal to 50 percent of the renewal fee for a license in effect on the date of renewal of the license, except as otherwise provided in Section 163.5.

(d) This section shall remain in effect only until January 1, 2028, and as of that date is repealed.

**SEC. 29.** Section 9873 of the Business and Professions Code, as amended by Section 94 of Chapter 625 of the Statutes of 2022, is amended to read:

**9873.** The fees prescribed by this chapter shall be set by the director by regulation, according to the following schedule:

(a) The initial registration fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state. The initial registration fee for a person who engages in business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred five dollars (\$405).

(b) The annual registration renewal fee for an electronic repair industry service dealer or for an appliance repair industry service dealer is not more than two hundred five dollars (\$205) for each place of business in this state, if renewed prior to its expiration date. The annual renewal fee for a service dealer who engages in the business as both an electronic repair industry service dealer and an appliance repair industry service dealer is not more than four hundred dollars (\$400).

(c) The delinquency fee is an amount equal to 50 percent of the renewal fee for a license in effect on the date of renewal of the license, except as otherwise provided in Section 163.5.

(d) This section shall become operative on January 1, 2028.

**SEC. 30.** Section 9874 of the Business and Professions Code is amended to read:

**9874.** All salaries, expenses, or costs incurred or sustained pursuant to this chapter shall be payable only out of the Household Goods and Services Fund.

**SEC. 31.** Section 9874.5 is added to the Business and Professions Code, to read:

**9874.5.** (a) All moneys in the Electronic and Appliance Repair Fund shall be transferred to the Household Goods and Services Fund by July 1, 2026. On July 1, 2026, the Electronic and Appliance Repair Fund shall be abolished.

(b) This section shall remain in effect only until December 31, 2026, and as of that date is repealed.

**SEC. 32.** Section 19002 of the Business and Professions Code is amended to read:

**19002.** "Person" includes any individual, partnership, association, firm, auctioneer, trust, limited liability company, and corporation, and the agents, servants, and employees of any of them.

**SEC. 33.** Section 19063 of the Business and Professions Code is amended to read:

**19063.** The bureau may refuse to issue any license provided for in this chapter to any individual:

(a) Who has had any license issued to them revoked, or whose license is under suspension, or who has failed to renew their license while it was under suspension.

(b) If any license of a partnership or limited liability company of which they are or were a member, or of a corporation of which they are or were an officer or director, or of a firm or association of which they are or were an officer or of which they are or were acting in a managerial capacity, has had any license issued to it revoked or suspended, and while acting as a member, officer, director, or in a managerial capacity they participated in any of the prohibited acts for which the license was revoked or suspended.

**SEC. 34.** Section 19064 of the Business and Professions Code is amended to read:

**19064.** The bureau may refuse to issue any license provided for in this chapter to any partnership, corporation, limited liability company, firm, or association:

(a) Who has had any license issued to it revoked, or whose license is under suspension, or who has failed to renew its license while it was under suspension.

(b) If any member of the partnership, or any officer or director of the corporation, or any officer or person acting in a managerial capacity of the firm or association has had any license issued to them revoked, or whose license is under suspension, or who has failed to renew their license while it was under suspension.

(c) If any member of the limited liability company or of the partnership, or any officer or director of the corporation, or any officer or person acting in a managerial capacity of the firm or association, was either a member of any limited liability company or of any partnership, or an officer or director of any corporation, or an officer or person acting in a managerial capacity of any firm or association, whose license has been revoked, or whose license is under suspension, or who failed to renew a license while it was under suspension, and while acting as a member, officer, director, or person acting in a managerial capacity participated in any of the prohibited acts for which any license was revoked or suspended.

**SEC. 35.** Section 19094 of the Business and Professions Code is amended to read:

**19094.** (a) For the purposes of this section, the following definitions shall apply:

(1) "Component" means the separate constituent parts of upholstered furniture sold in California, as identified in Technical Bulletin 117-2013, specifically cover fabrics, barrier materials, resilient filling materials, and decking materials.

(2) "Covered products" means any flexible polyurethane foam or upholstered or reupholstered furniture sold in California that is required to meet the test requirements set forth in Technical Bulletin 117-2013, entitled "Requirements, Test Procedure and Apparatus for Testing the Smolder Resistance of Materials Used in Upholstered Furniture."

(3) "Flame-retardant chemical" means any chemical or chemical compound for which a functional use is to resist or inhibit the spread of fire. Flame retardant chemicals include, but are not limited to, halogenated, phosphorous-based, nitrogen-based, and nanoscale flame retardants, flame-retardant chemicals listed as "designated chemicals" pursuant to Section 105440 of the Health and Safety Code, and any chemical or chemical compound for which "flame retardant" appears on the substance Safety Data Sheet (SDS) pursuant to Section 1910.1200(g) of Title 29 of the Code of Federal Regulations.

(4) "Chemical" means either of the following:

(A) An organic or inorganic substance of a particular molecular identity, including any combination of those substances occurring, in whole or in part, as a result of a chemical reaction or occurring in nature, and any element, ion, or uncombined radical, and any degradate, metabolite, or reaction product of a substance with a particular molecular identity.

(B) A chemical ingredient, which means a substance comprising one or more substances described in subparagraph (A).

(5) "Molecular identity" means the substance's properties listed below:

(A) Agglomeration state.

(B) Bulk density.

(C) Chemical composition, including surface coating.

(D) Crystal structure.

(E) Dispersability.

(F) Molecular structure.

(G) Particle density.

(H) Particle size, size distribution, and surface area.

(I) Physical form and shape, at room temperature and pressure.

(J) Physicochemical properties.

(K) Porosity.

(L) Solubility in water and biologically relevant fluids.

(M) Surface charge.

(N) Surface reactivity.

(6) "Added flame retardant chemicals" means flame-retardant chemicals that are present in any covered product or component thereof at levels above 1,000 parts per million.

(7) "Department" means the Department of Toxic Substances Control.

(8) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.

(b) (1) A manufacturer of covered products shall indicate whether or not the product contains added flame retardant chemicals by including the following "flame-retardant chemical statement" on the label described in Section 1374.3 of Title 4 of the California Code of Regulations for covered products:

"The upholstery materials in this product:

\_\_\_\_\_ contain added flame retardant chemicals

\_\_\_\_\_ contain NO added flame retardant chemicals

The State of California has updated the flammability standard and determined that the fire safety requirements for this product can be met without adding flame retardant chemicals. The state has identified many flame retardant chemicals as being known to, or strongly suspected of, adversely impacting human health or development."

A manufacturer of covered products shall indicate the absence or presence of added flame-retardant chemicals by placing an "X" in one of the appropriate blanks.

(2) This statement shall be included in the label described in Section 1374.3 of Title 4 of the California Code of Regulations in accordance with the bureau's regulations for that label. The statement need not be in all capital letters, and shall follow the statement required by Section 1374.3 of Title 4 of the California Code of Regulations.

(c) (1) The bureau shall ensure compliance with the labeling requirements in this section.

(2) (A) The bureau shall provide the Department of Toxic Substances Control with a selection of samples from covered products marked "contain NO added flame retardant chemicals" for testing for the presence of added flame retardant chemicals. The samples shall be from the components identified in paragraph (1) of subdivision (a). The bureau shall select samples based on consultation with the department, taking into account a range of manufacturers and types of covered products. The bureau and the department shall consult on the tests to be conducted by the department. The department shall provide the results of any completed test to the bureau. The bureau shall reimburse the department for the cost of testing for the presence of added flame retardant chemicals in covered products marked "contain NO added flame retardant chemicals".

(B) No later than August 1 of each fiscal year, the bureau shall assess available resources and determine the number of tests to be conducted in the corresponding fiscal year, pursuant to this subparagraph.

(3) (A) If the department's testing shows that a covered product labeled as "contain NO added flame retardant chemicals" is mislabeled because it contains added flame-retardant chemicals, the bureau may assess fines for violations against manufacturers of the covered product and component manufacturers to be held jointly and severally liable for the violation.

(B) A fine for a violation of this subparagraph relating to mislabeling shall be assessed in accordance with the factors described in subdivision (d) and the following schedule:

(i) The fine for the first violation shall be not less than one thousand dollars (\$1,000) but not more than two thousand five hundred dollars (\$2,500).

(ii) The fine for the second violation shall be not less than two thousand five hundred dollars (\$2,500) but not more than five thousand dollars (\$5,000).

(iii) The fine for the third violation shall be not less than five thousand dollars (\$5,000) but not more than seven thousand five hundred dollars (\$7,500).

(iv) The fine for any subsequent violation shall be not less than seven thousand five hundred dollars (\$7,500) but not more than ten thousand dollars (\$10,000).

(C) The fines in paragraph (B) shall replace any other fines in this article for a violation of the testing requirements of this section. This clause does not alter or amend any other penalty otherwise imposed by this article.

(D) If the department's testing shows that a covered product labeled as "contain NO added flame retardant chemicals" is mislabeled because it contains added flame retardant chemicals, in addition to a fine or any other request, the bureau may

request that the label required by subdivision (b) for covered products that belong to the same stock keeping unit (SKU) currently produced by the manufacturer be corrected to reflect that flame retardant chemicals are added to the covered product.

(E) If the department's testing shows that a covered product labeled as "contain NO added flame retardant chemicals" is mislabeled because it contains added flame retardant chemicals, in addition to a fine or any other request, the bureau may request additional testing of more products belonging to the same stock keeping unit (SKU) at the manufacturer's expense to verify the accuracy of the label required by subdivision (b) for covered products if the manufacturer wishes to retain the "contain NO added flame-retardant chemicals" designation on the label required by subdivision (b).

(d) (1) The bureau shall make information about any citation issued pursuant to this section available to the public on its internet website.

(2) In determining the amount of the fine for violations of this section, the bureau shall consider the following factors:

(A) The nature and severity of the violation.

(B) The good or bad faith of the cited person.

(C) The history of previous violations.

(D) Evidence that the violation was willful.

(E) The extent to which the cited person or entity has cooperated with the bureau.

(3) (A) The bureau shall adjust all minimum and maximum fines imposed by this section for inflation every five years.

(B) The adjustment shall be equivalent to the percentage, if any, that the Consumer Price Index at the time of adjustment exceeds the Consumer Price Index at the time this section goes into effect. Any increase determined under this paragraph shall be rounded as follows:

(i) In multiples of ten dollars (\$10) in the case of penalties less than or equal to one hundred dollars (\$100).

(ii) In multiples of one hundred dollars (\$100) in the case of penalties greater than one hundred dollars (\$100) but less than or equal to one thousand dollars (\$1,000).

(iii) In multiples of one thousand dollars (\$1,000) in the case of penalties greater than one thousand dollars (\$1,000).

(4) It shall be the duty of the bureau to receive complaints from consumers concerning covered products sold in California.

(e) The bureau may adopt regulations pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) to carry out this section.

**SEC. 36.** Section 19174 of the Business and Professions Code is amended to read:

**19174.** All fees collected under this chapter shall be reported to the Controller and paid to the Treasurer and credited to the Household Goods and Services Fund, to be expended only for the purposes of the bureau and in carrying out this chapter.

**SEC. 37.** Section 19174.5 is added to the Business and Professions Code, to read:

**19174.5.** (a) All moneys in the Home Furnishings and Thermal Insulation Fund shall be transferred to the Household Goods and Services Fund by July 1, 2026. On July 1, 2026, the Home Furnishing and Thermal Insulation Fund shall be abolished.

(b) This section shall remain in effect only until December 31, 2026, and as of that date is repealed.

**SEC. 38.** Section 19211 of the Business and Professions Code is amended to read:

**19211.** Any person who has been denied a license, or who has had their license revoked, or whose license is under suspension, or who has failed to renew their license while it was under suspension, or any person who has been a member of any limited liability company or of any partnership, or an officer or director of any corporation, or an officer or person acting in a managerial capacity of any firm or association, whose license has been revoked, or whose license is under suspension, or who has failed to renew a license while it was under suspension, and while acting as a member, officer, director, or person acting in a managerial capacity, participated in any of the prohibited acts for which the license was suspended, or revoked, shall be prohibited from serving as a member of any licensed limited liability company or of any licensed partnership, or as an officer or director of any licensed corporation, or as an officer or person acting in a managerial capacity of any licensed firm or association, and the

employment, election, or association of a person in this capacity by a licensee shall constitute grounds for disciplinary action against the licensee.

**SEC. 39.** Section 19212 of the Business and Professions Code is amended to read:

**19212.** The performance by any partnership, limited liability company, corporation, firm, or association of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who is a member of that partnership or limited liability company, or an officer or director of that corporation, or an officer or person acting in a managerial capacity of that firm or association, if the licensee participated in the prohibited act or omission.

**SEC. 40.** Section 19214 of the Business and Professions Code is amended to read:

**19214.** Any person who violates or proposes to violate any provision of this chapter relating to insulation standards may be enjoined by any court of competent jurisdiction. The court may make those orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use or employment by any person of any practices which violate this chapter, or which may be necessary to restore to any person in interest any money or property, real or personal, which may have been acquired by means of any practice which violates any provision of this chapter.

Actions for injunction under this section may be prosecuted by the Attorney General or any district attorney, county counsel, city attorney, or city prosecutor in this state in the name of the people of the State of California upon their own motion or upon the complaint of any board, officer, person, corporation, association, partnership, limited liability company, or by any person acting for the interests of itself, its members, or the general public.

(a) A person who violates any provision of this chapter shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General or by any district attorney, county counsel, city attorney, or city prosecutor in any court of competent jurisdiction. The unit for a separate and distinct offense regarding insulation in violation of this chapter is each and every bag, bale, package, roll, or other container sold, offered for sale, or possessed with intent to sell or install contrary to the provisions of this chapter.

(b) If the action is brought by the Attorney General, one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half to the Treasurer. If brought by a district attorney or county counsel, the entire amount of penalty collected shall be paid to the treasurer of the county in which the judgment was entered. If brought by a city attorney or city prosecutor, one-half of the penalty shall be paid to the treasurer of the county and one-half to the city.

(c) If the action is brought at the request of the bureau, the court shall determine the reasonable expenses incurred by the bureau in the investigation and prosecution of the action.

Before any penalty collected is paid out pursuant to subdivision (b), the amount of the reasonable expenses incurred by the bureau shall be paid to the Treasurer.

**SEC. 41.** Section 19225.5 of the Business and Professions Code is amended to read:

**19225.5.** For purposes of this chapter, unless the context otherwise requires, the following provisions shall apply:

(a) "Broker" means a person engaged by others in the act of arranging, for compensation, the intrastate transportation of used household goods by a motor vehicle over the highways of this state for, or on behalf of, a shipper, a consignor, or a consignee.

(b) "Bureau" refers to the Bureau of Household Goods and Services, as established in Section 9810.

(c) "Chief" refers to the chief of the bureau.

(d) "Corporation" includes a corporation, a company, a limited liability company, an association, and a joint stock association.

(e) "Department" refers to the Department of Consumer Affairs.

(f) "Director" refers to the Director of Consumer Affairs.

(g) "Fund" means the Household Goods and Services Fund established pursuant to Section 9870.

(h) "Household mover" includes every corporation or person, their lessees, trustee, receivers, or trustees appointed by any court whatsoever, engaged in the permitted or unpermitted transportation for compensation or hire as a business by means of a motor vehicle or motor vehicles being used in the transportation of used household goods and personal effects over any public highway in this state. A broker, as defined in subdivision (a), shall be considered a household mover. The Legislature intends "household



mover” to have the same meaning as “household goods carrier” in former Section 5109 of the Public Utilities Code, as that section read on June 30, 2018.

(i) “Inspector” refers to an inspector either employed by, or under contract to, the bureau.

(j) “Motor vehicle” means every motor truck, tractor, or other self-propelled vehicle used for transportation of property over the public highways, other than upon fixed rails or tracks, and any trailer, semitrailer, dolly, or other vehicle drawn thereby.

(k) “Owner,” with respect to a motor vehicle used in the transportation of property for compensation by a household mover, means the corporation or person who is registered with the Department of Motor Vehicles as the owner of the vehicle, or who has a legal right to possession of the vehicle pursuant to a lease or rental agreement.

(l) “Person” includes an individual, a firm, or a partnership.

(m) “Public highway” includes every public street, road, or highway in this state.

**SEC. 42.** Section 19229 of the Business and Professions Code is amended to read:

**19229.** (a) Moneys in the fund shall be used, upon appropriation by the Legislature, by the bureau for the administration of this chapter.

(b) Except as otherwise provided in this chapter, all moneys, including fines or penalties imposed under this chapter, collected pursuant to this chapter shall be deposited into the fund.

**SEC. 43.** Section 19229.5 is added to the Business and Professions Code, to read:

**19229.5.** (a) All moneys in the Household Movers Fund shall be transferred to the Household Goods and Services Fund by July 1, 2026. On July 1, 2026, the Household Movers Fund shall be abolished.

(b) This section shall remain in effect only until December 31, 2026, and as of that date is repealed.

**SEC. 44.** Section 19239 of the Business and Professions Code is amended to read:

**19239.** (a) Before a permit is issued, the bureau shall require the applicant to establish ability and reasonable financial responsibility to initiate the proposed operations. The bureau shall require the applicant to establish their knowledge and ability to engage in business as a household mover by examination. The examination may be written or oral, or in the form of a demonstration of skill, or any combination of these, and any investigation of character, experience, and any tests of technical knowledge and manual skill that the bureau determines to be appropriate may be employed. In any examination, the qualification of the applicant shall be determined by an appraisal made by a member of the bureau’s staff. The criteria used by the bureau staff in making the required appraisal to determine whether the applicant has met the qualifications shall be established by the bureau by rule or regulation, in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. An applicant who has been determined to be unqualified may establish their qualifications through a subsequent examination, but no subsequent examination shall be taken prior to 30 days from the date when the applicant was found to be unqualified. If the staff member determines that the applicant is not qualified and denies the application, the bureau shall notify the applicant in writing. Within 30 days of service of the notice, the applicant may file a written request with the bureau for a hearing on the denial. Upon receipt of a timely filed request, the bureau shall request that the matter be set for a hearing. The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein. If the staff member determines that the applicant is qualified, the bureau may issue a permit without a hearing.

(b) An applicant may qualify in one of the following ways:

(1) If an individual, they may qualify by personal examination or by examination of their responsible managing employee.

(2) If a partnership or corporation, or any other type of business organization, it may qualify by examination of the responsible managing officer, an employee who works at least 32 hours per week, or a partner of the applicant firm.

(c) If the individual qualified by examination ceases to be connected with the permitholder, the permitholder shall notify the bureau in writing within 30 days after the cessation. If notice is given, the permit shall remain in force a reasonable length of time in order that another representative of the applicant may be qualified before the bureau. If the permitholder fails to notify the bureau of the cessation within a 30-day period, at the end of that period the permit shall be automatically suspended.

(d) Each applicant for a permit shall electronically submit to the Department of Justice fingerprint images and related information required by the Department of Justice for each owner, partner, officer, and director as a prerequisite to the issuance of a permit to

operate as a household mover. The fingerprint images and related information shall be submitted for the purpose of obtaining information as to the existence and content of a record of state or federal convictions and arrests, and information as to the existence and content of a record of state or federal convictions and arrests for which the Department of Justice establishes that the person is free on bail or on their own recognizance, pending trial or appeal.

(1) The Department of Justice shall provide a response to the bureau pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(2) The bureau shall request from the Department of Justice subsequent notification service, as provided pursuant to Section 11105.2 of the Penal Code, for applicants.

(3) The Department of Justice shall charge the applicant a fee sufficient to cover the reasonable cost of processing the requests described in this subdivision.

(e) The bureau may require, as a precondition to the issuance of a permit, the procurement of a performance bond sufficient to facilitate the collection of fines, penalties, and restitution related to enforcement actions that can be taken against the applicant.

(f) The bureau may refuse to issue a permit if it is shown that an applicant or an officer, director, partner, or associate of an applicant has committed any act constituting dishonesty or fraud; committed any act that, if committed by a permit holder, would be grounds for a suspension or revocation of the permit; misrepresented any material fact on the application; or, was convicted of an offense that is substantially related to the qualifications, functions, or duties of the business or profession, except that if the bureau determines that the applicant is otherwise suitable to be issued a permit, and granting the permit would not compromise public safety, the bureau shall conduct a thorough review of the nature of the crime, conviction, circumstances, and evidence of rehabilitation of the applicant, and shall evaluate the suitability of the applicant to be issued a permit based on the evidence found through the review.

(g) A permit shall not be issued unless it has been shown that the applicant meets one of the following residence requirements:

(1) For an individual, the applicant shall have resided in the State of California for not less than 90 days next preceding the filing of the application.

(2) For a partnership, the partner having the largest percentage interest in the partnership shall have resided in the State of California continuously for not less than 90 days next preceding the filing of the application.

(3) For a limited liability company or a corporation, the applicant shall be a domestic limited liability company or a domestic corporation or shall be qualified to transact business in the State of California as a foreign limited liability company or a foreign corporation at the time of filing the application.

(h) The bureau shall prescribe, amend, and repeal rules in accordance with law for the administration of this section.

(i) If the bureau denies an application, the bureau shall notify the applicant in writing. Within 30 days of service of the notice, the applicant may file a written request with the bureau for a hearing on the denial. Upon receipt of a timely filed request, the bureau shall request that the matter be set for hearing. The hearing shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein.

**SEC. 45.** 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.