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SB-1454 Bureau of Security and Investigative Services: sunset. (2023-2024)

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Senate Bill No. 1454

CHAPTER 484

An act to amend Sections 125.9, 146, 6981, 7507.9, 7507.10, 7511.5, 7512.3, 7512.14, 7512.15, 7520.3, 7525.1, 7529, 7533.5, 7538, 7538.5, 7539, 7573.5, 7574.01, 7574.14, 7576, 7580.3, 7582.1, 7582.2, 7582.7, 7583.22, 7583.23, 7583.32, 7583.47, 7584.3, 7585.3, 7585.11, 7587.11, 7588.8, 7593.1, 7593.5, 7596.83, 7599.345, and 7599.80 of, and to add Sections 7524 and 7580.15 to, the Business and Professions Code, relating to professions and vocations.

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

LEGISLATIVE COUNSEL'S DIGEST

SB 1454, Ashby. Bureau of Security and Investigative Services: sunset.

(1) Existing law establishes the Bureau of Security and Investigative Services (bureau) within the Department of Consumer Affairs (department) for purposes of regulating locksmiths, repossessioners, private investigators, proprietary security services, private security services, and alarm company operators and alarm agents, under various acts.

Under existing law, the powers and duties of the bureau under each of those acts are subject to review by the appropriate policy committees of the Legislature. Existing law requires the review to be performed as if the act were scheduled to be repealed on January 1, 2025.

This bill would extend that date to January 1, 2029.

(2) Existing law, the Collateral Recovery Act, imposes duties related to the licensure and regulation of repossession agencies on the bureau under the supervision and control of the Director of Consumer Affairs (director). A violation of the Collateral Recovery Act is a crime. Existing law requires a licensee under the Collateral Recovery Act to serve a debtor with a specified notice of seizure after the licensee recovers collateral. Existing law provides the repossession agency with the option of giving the notice by personal service or by regular mail addressed to the last known address of the debtor.

This bill would revise the option to mail the notice by requiring the mail to be addressed, instead, to the current address of the debtor, and would make that option contingent on the current address being known. By imposing new requirements on repossession agencies under the Collateral Recovery Act, the violation of which is a crime, the bill would impose a state-mandated local program.

Existing law authorizes various boards under the department to establish a system to issue citations that may include an order of abatement or to pay an administrative fine if a licensee is in violation of the applicable licensing act, as specified. Existing law provides an exception to this authority with respect to persons regulated under the Collateral Recovery Act.

This bill would delete that exception, thereby authorizing the bureau to establish a system to issue citations to licensees under the Collateral Recovery Act for violations of that act.

(3) Existing law, the Private Investigator Act (PIA), requires the director to administer and enforce its provisions relating to the licensure and regulation of private investigators, and imposes certain duties on the bureau in this regard. Existing law makes a violation of the PIA, as specified, a crime.

This bill, beginning July 1, 2025, would require an agreement for the provision of a service regulated by the PIA to be in writing and to contain specified information, including a description of the scope of the investigation or services to be provided. The bill would prohibit the performance of those services and the accrual of charges before written authorization to proceed is obtained from the client. The bill would require a licensee to maintain a legible copy of the signed agreement and investigative findings for a minimum of 2 years and to make those records available for inspection by the bureau upon demand. By imposing new requirements under the PIA, the violation of which is a crime, this bill would impose a state-mandated local program.

The PIA authorizes the bureau to issue a private investigator license to a limited liability company and imposes various requirements on a limited liability company as a condition for licensure, including maintaining liability insurance, as specified. Existing law repeals these provisions on January 1, 2025.

This bill would extend that date to January 1, 2030.

(4) Existing law, the Proprietary Security Services Act, prohibits a person from engaging in the business of a proprietary private security officer or a proprietary private security employer unless registered with the department under that act. The Proprietary Security Services Act makes a violation of the prohibition on engaging in unregistered business as a private security officer an infraction, as specified.

Existing law, the Private Security Services Act (PSSA), prohibits a person from engaging in the business of private security services, as specified, unless the person is licensed under the PSSA by the bureau. The PSSA makes a violation of that prohibition an infraction, as specified.

Other existing law lists specified provisions relating to the registration, licensure, certification, or authorization required to engage in certain businesses and professions, and makes a violation of any of those listed provisions punishable as infractions, as specified.

This bill would revise that other existing law by adding to that list the above-described provisions of the Proprietary Security Services Act and the PSSA prohibiting unlicensed or unregistered activity. By making the unregistered engagement in the business of a proprietary private security employer a crime, this bill would impose a state-mandated local program.

(5) The Proprietary Security Services Act and the PSSA except from their provisions certain entities, including a charitable philanthropic society or association and a person engaged solely in the business of securing information about persons or property from public records, as specified.

This bill would delete several of those entities included in those exceptions, including those specified above. The bill would additionally except from the Proprietary Security Services Act a federally recognized tribe, as defined, that has one or more employees who provide unarmed security services only for the federally recognized tribe, as specified.

(6) The PSSA requires an application for licensure to be verified and prescribes additional requirements if the applicant is, among others, an individual, a qualified manager, a partner of a partnership, or an officer of a corporation as specified. Existing law limits the investigations of a person licensed as a private patrol operator to those that are incidental to what they have been hired or engaged to protect, guard, or watch, as provided. Under existing law, the failure of a person licensed to do business as a corporation in this state to be registered and in good standing with the Secretary of State and the Franchise Tax Board after notice from the bureau, as specified, results in the automatic suspension of the licensee.

This bill would require the bureau to license a federally recognized tribe that applies for licensure under the PSSA, as specified. The bill would prescribe additional requirements for licensure for the tribe, including that the application state the names and business addresses of those individuals authorized to submit the application on behalf of the tribe, as specified. The bill would make the above-described limitation on private patrol operator investigations not applicable to any federally recognized tribe performing investigative functions, as specified, consistent with federal or tribal law. This bill would also exempt a tribe or a tribe's business that is chartered under tribal or federal law from the above-described requirement to be registered and in good standing with the Secretary of State and the Franchise Tax Board.

The PSSA requires an institution, firm, or individual to complete an application for certification, as specified, to receive approval from the bureau to offer certain training courses in the carrying and usage of firearms or batons.

This bill would apply that requirement to a federally recognized tribe.

The PSSA requires the bureau to issue a firearm permit or a baton permit when certain conditions are satisfied. Among the conditions for the firearm permit is that a bureau-certified firearms training instructor has certified that the applicant has

successfully completed a written examination prepared by the bureau and training course in the carrying and use of firearms approved by the bureau. Among the conditions for the baton permit is that the applicant has completed a specified course of training in the carrying and use of a baton.

This bill would require the above-specified conditions to be met within 6 months before submitting the application to the bureau.

The PSSA requires a licensee, qualified manager of a licensee, or security guard, before carrying a firearm, to complete a course of training in the carrying and use of firearms and to receive a firearms qualification card or be otherwise qualified to carry a firearm, as specified. The PSSA exempts a peace officer or federal qualified law enforcement officer, as those terms are defined, from the course of training requirement if the officer has completed a course of study in the use of firearms. The PSSA requires an applicant for a renewed firearms qualification card to, among other things, requalify on the range and pass a specified written examination. Under the PSSA, a peace officer or federal qualified law enforcement officer is exempt from the above-specified requalification requirements if the officer is authorized to carry a firearm in the course of the officer's duties and has completed requalification training.

This bill would limit the exemption from the course of study in the use of firearms requirement by requiring the officer to have completed the course within the 24 months preceding the date of application. The bill would also limit the exemption from the requalification training requirement by requiring the officer to have completed the training within the 12 months preceding the month of the permit's expiration.

(7) Existing law, the Alarm Company Act, imposes additional requirements for an alarm company operator license if the applicant is a limited liability company, including requiring the application to be subscribed, verified, and signed by a duly authorized member of the applicant under penalty of perjury. Existing law repeals those provisions on January 1, 2025.

This bill would extend the operation of those provisions until January 1, 2030.

Under the Alarm Company Act, the director is required to issue a firearms permit when certain conditions exist. Existing law requires a firearm permit to be automatically revoked if the Department of Justice notifies the bureau that the holder of the permit is prohibited from possessing, receiving, or purchasing a firearm, as specified. Existing law requires the bureau to seek an emergency order, as prescribed, against the holder of the firearms permit if the bureau determines that the holder presents an undue hazard to public safety, as specified.

This bill would, instead, authorize the bureau to automatically revoke a firearms permit or seek an emergency order, as described above.

(8) This bill would incorporate additional changes to Section 146 of the Business and Professions Code proposed by AB 2148 to be operative only if this bill and AB 2148 are enacted and this bill is enacted last.

(9) 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 125.9 of the Business and Professions Code is amended to read:

125.9. (a) A board, bureau, or commission within the department, the State Board of Chiropractic Examiners, and the Osteopathic Medical Board of California, may establish, by regulation, a system for the issuance to a licensee of a citation which may contain an order of abatement or an order to pay an administrative fine assessed by the board, bureau, or commission where the licensee is in violation of the applicable licensing act or any regulation adopted pursuant thereto.

(b) The system shall contain the following provisions:

(1) Citations shall be in writing and shall describe with particularity the nature of the violation, including specific reference to the provision of law determined to have been violated.

(2) Whenever appropriate, the citation shall contain an order of abatement fixing a reasonable time for abatement of the violation.

(3) In no event shall the administrative fine assessed by the board, bureau, or commission exceed five thousand dollars (\$5,000) for each inspection or each investigation made with respect to the violation, or five thousand dollars (\$5,000) for each violation or count if the violation involves fraudulent billing submitted to an insurance company, the Medi-Cal program, or

Medicare. In assessing a fine, the board, bureau, or commission shall give due consideration to the appropriateness of the amount of the fine with respect to factors such as the gravity of the violation, the good faith of the licensee, and the history of previous violations.

(4) A citation or fine assessment issued pursuant to a citation shall inform the licensee that if the licensee desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the board, bureau, or commission within 30 days of the date of issuance of the citation or assessment. If a hearing is not requested pursuant to this section, payment of any fine shall not constitute an admission of the violation charged. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(5) Failure of a licensee to pay a fine or comply with an order of abatement, or both, within 30 days of the date of assessment or order, unless the citation is being appealed, may result in disciplinary action being taken by the board, bureau, or commission. Where a citation is not contested and a fine is not paid, the full amount of the assessed fine shall be added to the fee for renewal of the license. A license shall not be renewed without payment of the renewal fee and fine.

(c) The system may contain the following provisions:

(1) A citation may be issued without the assessment of an administrative fine.

(2) Assessment of administrative fines may be limited to only particular violations of the applicable licensing act.

(d) Notwithstanding any other provision of law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine and compliance with the order of abatement, if applicable, shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

(e) Administrative fines collected pursuant to this section shall be deposited in the special fund of the particular board, bureau, or commission.

SEC. 2. Section 146 of the Business and Professions Code is amended to read:

146. (a) Notwithstanding any other provision of law, a violation of any code section listed in subdivision (c) is an infraction subject to the procedures described in Sections 19.6 and 19.7 of the Penal Code when either of the following applies:

(1) A complaint or a written notice to appear in court pursuant to Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code is filed in court charging the offense as an infraction unless the defendant, at the time they are arraigned, after being advised of their rights, elects to have the case proceed as a misdemeanor.

(2) The court, with the consent of the defendant and the prosecution, determines that the offense is an infraction in which event the case shall proceed as if the defendant has been arraigned on an infraction complaint.

(b) Subdivision (a) does not apply to a violation of the code sections listed in subdivision (c) if the defendant has had their license, registration, or certificate previously revoked or suspended.

(c) The following sections require registration, licensure, certification, or other authorization in order to engage in certain businesses or professions regulated by this code:

(1) Section 2474.

(2) Sections 2052 and 2054.

(3) Section 2570.3.

(4) Section 2630.

(5) Section 2903.

(6) Section 3575.

(7) Section 3660.

(8) Sections 3760 and 3761.

(9) Section 4080.

(10) Section 4825.

(11) Section 4935.

- (12) Section 4980.
- (13) Section 4989.50.
- (14) Section 4996.
- (15) Section 4999.30.
- (16) Section 5536.
- (17) Section 6530 or 6532.
- (18) Section 6704.
- (19) Section 6980.10.
- (20) Section 7317.
- (21) Section 7502 or 7592.
- (22) Section 7520.
- (23) Section 7574.10.
- (24) Section 7574.12.
- (25) Section 7582.
- (26) Section 7617 or 7641.
- (27) Subdivision (a) of Section 7872.
- (28) Section 8016.
- (29) Section 8505.
- (30) Section 8725.
- (31) Section 9681.
- (32) Section 9840.
- (33) Subdivision (c) of Section 9891.24.
- (34) Section 19049.

(d) Notwithstanding any other law, a violation of any of the sections listed in subdivision (c), which is an infraction, is punishable by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000). No portion of the minimum fine may be suspended by the court unless as a condition of that suspension the defendant is required to submit proof of a current valid license, registration, or certificate for the profession or vocation that was the basis for their conviction.

SEC. 2.5. Section 146 of the Business and Professions Code is amended to read:

146. (a) Notwithstanding any other provision of law, a violation of any code section listed in subdivision (c) is an infraction subject to the procedures described in Sections 19.6 and 19.7 of the Penal Code when either of the following applies:

- (1) A complaint or a written notice to appear in court pursuant to Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2 of the Penal Code is filed in court charging the offense as an infraction unless the defendant, at the time they are arraigned, after being advised of their rights, elects to have the case proceed as a misdemeanor.
- (2) The court, with the consent of the defendant and the prosecution, determines that the offense is an infraction in which event the case shall proceed as if the defendant has been arraigned on an infraction complaint.

(b) Subdivision (a) does not apply to a violation of the code sections listed in subdivision (c) if the defendant has had their license, registration, or certificate previously revoked or suspended.

(c) The following sections require registration, licensure, certification, or other authorization in order to engage in certain businesses or professions regulated by this code:

- (1) Section 2474.
- (2) Sections 2052 and 2054.
- (3) Section 2570.3.
- (4) Section 2630.
- (5) Section 2903.
- (6) Section 3575.
- (7) Section 3660.
- (8) Sections 3760 and 3761.
- (9) Section 4080.
- (10) Section 4825.
- (11) Section 4935.
- (12) Section 4980.
- (13) Section 4989.50.
- (14) Section 4996.
- (15) Section 4999.30.
- (16) Section 5536.
- (17) Section 6530, 6532, or 6544.
- (18) Section 6704.
- (19) Section 6980.10.
- (20) Section 7317.
- (21) Section 7502 or 7592.
- (22) Section 7520.
- (23) Section 7574.10.
- (24) Section 7574.12.
- (25) Section 7582.
- (26) Section 7617 or 7641.
- (27) Subdivision (a) of Section 7872.
- (28) Section 8016.
- (29) Section 8505.
- (30) Section 8725.
- (31) Section 9681.
- (32) Section 9840.
- (33) Subdivision (c) of Section 9891.24.
- (34) Section 19049.

(d) Notwithstanding any other law, a violation of any of the sections listed in subdivision (c), which is an infraction, is punishable by a fine of not less than two hundred fifty dollars (\$250) and not more than one thousand dollars (\$1,000). No portion of the

minimum fine may be suspended by the court unless as a condition of that suspension the defendant is required to submit proof of a current valid license, registration, or certificate for the profession or vocation that was the basis for their conviction.

SEC. 3. Section 6981 of the Business and Professions Code is amended to read:

6981. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2029.

SEC. 4. Section 7507.9 of the Business and Professions Code is amended to read:

7507.9. Personal effects shall be removed from the collateral, including any personal effect that is mounted but detachable from the collateral by a release mechanism. A complete and accurate inventory of the personal effects shall be made, and the personal effects shall be labeled and stored by the licensee for a minimum of 60 days in a secure manner, except those personal effects removed by or in the presence of the debtor or the party in possession of the collateral at the time of the repossession. If the licensee or the licensee's agent cannot determine whether the property attached to the collateral is a personal effect or a part of the collateral, then that fact shall be noted on the inventory and the licensee or agent shall not be obligated to remove the item from the collateral, unless the item can be removed without the use of tools, in which case it shall be removed and inventoried. The licensee or the licensee's agent shall notify the debtor that if the debtor takes the position that an item is a personal effect, then the debtor shall contact the legal owner to resolve the issue.

(a) The date and time the inventory is made shall be indicated. The permanent records of the licensee shall indicate the name of the employee or registrant who performed the inventory.

(b) The following items of personal effects are items determined to present a danger or health hazard when recovered by the licensee and shall be disposed of in the following manner:

(1) (A) Deadly weapons and dangerous drugs shall be turned over to any law enforcement agency for retention. These items shall be entered on the inventory and a notation shall be made as to the date, time, and place the deadly weapon or dangerous drug was turned over to the law enforcement agency, and a receipt from the law enforcement agency shall be maintained in the records of the repossession agency.

(B) Any other instrument or weapon, including, but not limited to, any instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles, dirk, dagger, any knife having a blade longer than five inches, any razor with an unguarded blade, and any metal pipe or bar used or intended to be used as a club shall be inventoried and noted as "disposed of, dangerous device" and the item shall be disposed of in a reasonable and safe manner.

(2) Combustibles shall be inventoried and noted as "disposed of, dangerous combustible," and the item shall be disposed of in a reasonable and safe manner.

(3) Food and other health hazard items shall be inventoried and noted as "disposed of, health hazard," and disposed of in a reasonable and safe manner.

(c) Personal effects may be disposed of after being held for at least 60 days. The inventory, and adequate information as to how, when, and to whom the personal effects were disposed of, shall be filed in the permanent records of the licensee and retained for four years.

(d) The inventory shall include the name, address, business hours, and telephone number of the repossession agency to contact for recovering the personal effects and an itemization of all personal effects removal and storage charges that will be made by the repossession agency. The inventory shall also include the following statement: "Please be advised that the property listed on this inventory will be disposed of by the repossession agency after being held for 60 days from the date of this notice IF UNCLAIMED."

(e) The inventory shall be provided to a debtor not later than 48 hours after the recovery of the collateral, except that if:

(1) The 48-hour period encompasses a Saturday, Sunday, or postal holiday, the inventory shall be provided no later than 72 hours after the recovery of the collateral.

(2) The 48-hour period encompasses a Saturday or Sunday and a postal holiday, the inventory shall be provided no later than 96 hours after the recovery of the collateral.

(3) Inventory resulting from repossession of a yacht, motor home, or travel trailer is such that it shall take at least 4 hours to inventory, then the inventory shall be provided no later than 96 hours after the recovery of the collateral. When the 96-hour

period encompasses a Saturday, Sunday, or postal holiday, the inventory shall be provided no later than 120 hours after the recovery of the collateral.

(4) The licensee is unable to open a locked compartment that is part of the collateral, the available inventory shall be provided no later than 96 hours after the recovery of the collateral. When the 96-hour period encompasses a Saturday, Sunday, or postal holiday, the inventory shall be provided no later than 120 hours after the recovery of the collateral.

(f) Environmental, Olympic, special interest, or other license plates issued pursuant to Article 8 (commencing with Section 5000), Article 8.4 (commencing with Section 5060), or Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3 of the Vehicle Code that remain the personal effects of the debtor shall be removed from the collateral and inventoried pursuant to this section. If the plates are not claimed by the debtor within 60 days, they shall either (1) be effectively destroyed and the licensee shall, within 30 days thereafter, notify the Department of Motor Vehicles of their effective destruction on a form promulgated by the chief that has been approved as to form by the Director of the Department of Motor Vehicles; or (2) be retained by the licensee indefinitely to be returned to the debtor upon request, in which case the licensee shall not charge more than 60 days' storage on the plates.

(g) The notice may be given by regular mail addressed to the current address of the debtor, if known, or by personal service, at the option of the repossession agency.

(h) With the consent of the licensee, the debtor waives the preparation and presentation of an inventory if the debtor redeems the personal effects or other personal property not covered by a security interest within the time period for the notices required by this section and signs a statement that the debtor has received all the property.

(i) If personal effects or other personal property not covered by a security agreement are to be released to someone other than the debtor, the repossession agency must receive written authorization to do so from the debtor.

(j) A licensee shall not sell personal effects or other personal property not covered by a security agreement and remit money from the sale to a third party, including, but not limited to, any lending institution.

(k) The inventory shall be a confidential document. A licensee shall only disclose the contents of the inventory under the following circumstances:

(1) In response to the order of a court having jurisdiction to issue the order.

(2) In compliance with a lawful subpoena issued by a court of competent jurisdiction.

(3) When the debtor has consented in writing to the release and the written consent is signed and dated by the debtor subsequent to the repossession and states the entity or entities to whom the contents of the inventory may be disclosed.

(4) To the debtor.

SEC. 5. Section 7507.10 of the Business and Professions Code is amended to read:

7507.10. (a) A licensee shall serve a debtor with a notice of seizure as soon as possible after the recovery of collateral and not later than 48 hours, except that if the 48-hour period encompasses a Saturday, Sunday, or postal holiday, the notice of seizure shall be provided not later than 72 hours or, if the 48-hour period encompasses a Saturday or Sunday and a postal holiday, the notice of seizure shall be provided not later than 96 hours, after the repossession of collateral. The notice shall include all of the following:

(1) The name, address, and telephone number of the legal owner to be contacted regarding the repossession.

(2) The name, address, and telephone number of the repossession agency to be contacted regarding the repossession.

(3) A statement printed on the notice containing the following: "Repossessors are regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA. Repossessors are required to provide you, not later than 48 hours after the recovery of collateral, with an inventory of personal effects or other personal property recovered during repossession unless the 48-hour period encompasses a Saturday, Sunday, or a postal holiday, then the inventory shall be provided no later than 96 hours after the recovery of collateral."

(4) A disclosure that "Damage to a vehicle during or subsequent to a repossession and only while the vehicle is in possession of the repossession agency and which is caused by the repossession agency is the liability of the repossession agency. A mechanical, electrical, or tire failure, or the loss of, or any damage to, or as a result of, or caused by, any aftermarket parts and accessories not in compliance with Section 24008 of the Vehicle Code shall not be the responsibility of the repossession agency unless the failure, damage, or loss is due to the negligence of the repossession agency."

(5) If applicable, a disclosure that "Environmental, Olympic, special interest, or other license plates issued pursuant to Article 8 (commencing with Section 5000), Article 8.4 (commencing with Section 5060) or Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3 of the Vehicle Code that remain the personal effects of the debtor will be removed from the collateral and inventoried, and that if the plates are not claimed by the debtor within 60 days, they will be destroyed."

(6) A disclosure of the charges payable by the debtor to the repossession agency for the storage of the collateral and personal effects from the date of repossession until release of the property from storage.

(b) The notice under subdivision (a) may be given by regular mail addressed to the current address of the debtor, if known, or by personal service, at the option of the repossession agency.

SEC. 6. Section 7511.5 of the Business and Professions Code is amended to read:

7511.5. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2029.

SEC. 7. Section 7512.3 of the Business and Professions Code, as amended by Section 18 of Chapter 625 of the Statutes of 2022, is amended to read:

7512.3. (a) As used in this chapter, "person" includes any individual, firm, company, limited liability company, association, organization, partnership, and corporation.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 8. Section 7512.3 of the Business and Professions Code, as amended by Section 19 of Chapter 625 of the Statutes of 2022, is amended to read:

7512.3. (a) As used in this chapter, "person" includes any individual, firm, company, association, organization, partnership, and corporation.

(b) This section shall become operative on January 1, 2030.

SEC. 9. Section 7512.14 of the Business and Professions Code is amended to read:

7512.14. (a) As used in this chapter, "member" means an individual who is a member of a limited liability company as specified in Section 17704.01 of the Corporations Code.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 10. Section 7512.15 of the Business and Professions Code is amended to read:

7512.15. (a) As used in this chapter, "manager" means an individual designated under an operating agreement of a manager-managed limited liability company who is responsible for performing the management functions for the limited liability company specified in subdivision (c) of Section 17704.07 of the Corporations Code.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 11. Section 7520.3 of the Business and Professions Code is amended to read:

7520.3. (a) As a condition of the issuance, reinstatement, reactivation, or continued valid use of a license under this chapter, a limited liability company shall, in accordance with this section, maintain a policy or policies of insurance against liability imposed on or against it by law for damages arising out of claims based upon acts, errors, or omissions arising out of the private investigator services it provides.

(b) The total aggregate limit of liability under the policy or policies of insurance required under this section shall be as follows:

(1) For a limited liability company licensee with five or fewer persons named as members pursuant to subdivision (i) of Section 7525.1, the aggregate limit shall not be less than one million dollars (\$1,000,000).

(2) For a limited liability company licensee with more than five persons named as members pursuant to subdivision (i) of Section 7525.1, an additional one hundred thousand dollars (\$100,000) of insurance shall be obtained for each person named as members of the licensee except that the maximum amount of insurance is not required to exceed five million dollars

(\$5,000,000) in any one designated period, less amounts paid in defending, settling, or discharging claims as set forth under this section.

(c) Prior to the issuance, reinstatement, or reactivation of a limited liability company license as provided under this chapter, the applicant or licensee shall, in the manner prescribed by the bureau, submit the information and documentation required by this section and requested by the bureau, demonstrating compliance with the financial security requirements specified by this section.

(d) For any insurance policy secured by a licensee in satisfaction of this section, a Certificate of Liability Insurance, signed by an authorized agent or employee of the insurer, shall be submitted electronically or otherwise to the bureau. The insurer issuing the certificate shall report to the bureau the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable. The insurer shall list the bureau as the certificate holder for the purposes of receiving notifications related to the policy's status.

(e) (1) If a licensee fails to maintain sufficient insurance as required by this section, or fails to provide proof of the required insurance upon request by the bureau, the license is subject to suspension and shall be automatically suspended pursuant to this subdivision until the date that the licensee provides proof to the bureau of compliance with the insurance coverage requirement.

(2) Prior to an automatic suspension, the bureau shall notify the licensee, in writing, that it has 30 days to provide proof to the bureau of having the required insurance or the license shall be automatically suspended.

(3) If the licensee fails to provide proof of insurance coverage within this period, the bureau may automatically suspend the license.

(f) If the license of a limited liability company is suspended pursuant to subdivision (e), each member of the limited liability company shall be personally liable up to one million dollars (\$1,000,000) each for damages resulting to third parties in connection with the company's performance, during the period of suspension, of any act or contract when a license is required by this chapter.

(g) A licensee organized as a limited liability company shall report annually to the bureau the date and amount of any claims paid during the prior calendar year from any general liability insurance policy held pursuant to this section. The licensee shall report the information on a form provided by the bureau. The licensee shall report the claim information no later than March 1. The creation of the form shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(h) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 12. Section 7524 is added to the Business and Professions Code, to read:

7524. (a) Every agreement to provide a service regulated by this chapter, including, but not limited to, contract agreements and investigative agreements, shall be in writing. An initial client service agreement shall contain, but not be limited to, the following:

(1) The licensed private investigator's name, business address, business telephone number, and license number.

(2) A disclosure that private investigators are licensed and regulated by the Bureau of Security and Investigative Services within the Department of Consumer Affairs.

(3) Approximate start and completion dates of the work to be provided.

(4) A description of the scope of the investigation or services to be provided. An agreement shall indicate whether or not a written report is to be provided to the client and the agreed upon method of delivery of that written report, as applicable.

(5) All labor, services, and materials to be provided for the scope of work conducted by the private investigator.

(6) An explanation of the fees agreed upon by the parties, including a breakdown of how the fees are assessed by the licensee.

(7) Any other matters agreed upon by the parties.

(b) Any amendment, addendum, or other modification to an initial client service agreement shall be in writing and is subject to the requirements of this section. An amendment, addendum, or other modification shall include a description of the changes to the scope of work, start and completion dates, method of delivery, fees to be charged, and other matters agreed upon in the initial client service agreement, as applicable.

(c) (1) The initial client service agreement and any amendment, addendum, or other modification to the agreement shall be legible and clearly indicate any other document incorporated into it.

(2) Before any work commences, the client shall receive a signed copy of the written initial client service agreement and any amendment, addendum, or other modification to the agreement that was agreed to before commencement of the work.

(3) Services detailed under the scope of work shall not be performed and charges shall not accrue before written authorization to proceed is obtained from the client.

(d) Upon completion of the investigation, any written report, as agreed upon by all parties and indicated in the agreement, shall be provided to the client within 30 days from the completion date and in accordance with the agreed upon delivery method.

(e) The licensee shall maintain a legible copy of the signed agreement and investigative findings, including any written report, for a minimum of two years. These records shall be made available for inspection by the bureau upon demand.

(f) This section shall become operative on July 1, 2025.

SEC. 13. Section 7525.1 of the Business and Professions Code, as amended by Section 23 of Chapter 625 of the Statutes of 2022, is amended to read:

7525.1. An application shall be verified and shall include:

(a) The full name and business address of the applicant.

(b) The name under which the applicant intends to do business.

(c) A statement as to the general nature of the business in which the applicant intends to engage.

(d) A verified statement of their experience qualifications.

(e) (1) If the applicant is an individual, a qualified manager, a partner of a partnership, an officer of a corporation designated in subdivision (h), or a member, officer, or manager of a limited liability company designated in subdivision (i), one personal identification form provided by the bureau upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, on a form approved by the Department of Justice, and a personal description of each person, respectively. The identification form shall include residence addresses and employment history for the previous five years and be signed under penalty of perjury.

(2) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants, excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(f) In addition, if the applicant for a license is an individual, the application shall list all other names known as or used during the past 10 years and shall state that the applicant is to be personally and actively in charge of the business for which the license is sought. If any other qualified manager is to be actively in charge of the business, the application shall be subscribed, verified, and signed by the applicant, under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person under penalty of perjury.

(g) If the applicants for a license are copartners, the application shall state the true names and addresses of all partners and the name of the partner to be actively in charge of the business for which the license is sought and list all other names known as or used during the past 10 years. If a qualified manager other than a partner is to be actively in charge of the business, then the application shall be subscribed, verified, and signed by all of the partners under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person, under penalty of perjury, under penalty of perjury by all of the partners and the qualified manager, or by all of the partners or the qualified manager.

(h) If the applicant for a license is a corporation, the application shall state the true names and complete residence addresses of the chief executive officer, secretary, chief financial officer, and any other corporate officer who will be active in the business to be licensed. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized officer of the applicant and by the qualified manager thereof, under penalty of perjury.

(i) If the applicant for a license is a limited liability company, the application shall state the true name and complete residence address of each member, manager, and any officer who will be active in the business to be licensed. A certified copy of the articles of organization, as filed by the Secretary of State, shall be supplied to the bureau upon request. In the case of a manager-managed limited liability company, the application shall be subscribed, verified, and signed by a manager; otherwise, in the case of a member-managed limited liability company, the application shall be subscribed, verified, and signed by a duly authorized member of the applicant and by the qualified manager thereof. The application shall also state whether any of the members, managers, officers, or the qualified manager has ever used an alias.

(j) Any other information, evidence, statements, or documents as may be required by the director.

(k) At the discretion of the applicant, a valid email address.

(l) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 14. Section 7525.1 of the Business and Professions Code, as amended by Section 24 of Chapter 625 of the Statutes of 2022, is amended to read:

7525.1. An application shall be verified and shall include:

(a) The full name and business address of the applicant.

(b) The name under which the applicant intends to do business.

(c) A statement as to the general nature of the business in which the applicant intends to engage.

(d) A verified statement of their experience qualifications.

(e) (1) If the applicant is an individual, a qualified manager, a partner of a partnership, or an officer of a corporation designated in subdivision (h), one personal identification form provided by the bureau upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, on a form approved by the Department of Justice, and a personal description of each person, respectively. The identification form shall include residence addresses and employment history for the previous five years and be signed under penalty of perjury.

(2) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants, excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(f) In addition, if the applicant for a license is an individual, the application shall list all other names known as or used during the past 10 years and shall state that the applicant is to be personally and actively in charge of the business for which the license is sought. If any other qualified manager is to be actively in charge of the business, the application shall be subscribed, verified, and signed by the applicant, under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person under penalty of perjury.

(g) If the applicants for a license are copartners, the application shall state the true names and addresses of all partners and the name of the partner to be actively in charge of the business for which the license is sought and list all other names known as or used during the past 10 years. If a qualified manager other than a partner is to be actively in charge of the business, then the application shall be subscribed, verified, and signed by all of the partners under penalty of perjury. If any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed under penalty of perjury by that person, by all of the partners and the qualified manager, or by all of the partners or the qualified manager.

(h) If the applicant for a license is a corporation, the application shall state the true names and complete residence addresses of the chief executive officer, secretary, chief financial officer, and any other corporate officer who will be active in the business to be licensed. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized officer of the applicant and by the qualified manager thereof, under penalty of perjury.

(i) Any other information, evidence, statements, or documents as may be required by the director.

(j) At the discretion of the applicant, a valid email address.

(k) This section shall become operative on January 1, 2030.

SEC. 15. Section 7529 of the Business and Professions Code, as amended by Section 25 of Chapter 625 of the Statutes of 2022, is amended to read:

7529. (a) (1) Upon the issuance of and with each biennial renewal of a license, a license in the form of an enhanced photo identification card of the size, design, and content as may be determined by the director or the director's designee shall be issued by the bureau to each licensee, as follows:

(A) If the licensee is an individual, the enhanced photo identification card shall be issued to the licensee and to the licensee's qualified manager.

(B) If the licensee is a partnership, the enhanced photo identification card shall be issued to each partner of the partnership licensee active in the business and to the licensee's qualified manager.

(C) If the licensee is a corporation, the enhanced photo identification card shall be issued to each officer active in the business and to the licensee's qualified manager.

(D) If the licensee is a limited liability company, the enhanced photo identification card shall be issued to each member, officer, and manager of the licensee active in the business and to the licensee's qualified manager.

(2) The enhanced photo identification card is evidence that the licensee is licensed pursuant to this chapter. The card shall contain the name of the licensee, license expiration date, and a photograph of the licensee. The enhanced photo identification card shall clearly state that the person is licensed as a private investigator or is the qualified manager or officer of the licensee. The enhanced photo identification card is to be composed of a durable material and may incorporate technologically advanced security features. The bureau may recover its costs in an amount sufficient to reimburse the department's costs for furnishing the enhanced photo identification card. The fee charged shall not exceed the actual direct costs for system development, maintenance, and processing necessary to provide this service. The total amount of costs shall be recovered by including that amount in the fee charged for the initial application of and renewal of licensure. When the position, office, or association with a licensee belonging to a person to whom a card is issued is terminated, the person shall surrender the card to the licensee and, within five days thereafter, the licensee shall mail or deliver the card to the bureau for cancellation. Every person, while engaged in any activity for which licensure is required, shall display the person's valid enhanced photo identification card as provided by regulation.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 16. Section 7529 of the Business and Professions Code, as amended by Section 4 of Chapter 571 of the Statutes of 2023, is amended to read:

7529. (a) Upon the issuance of and with each biennial renewal of a license, a license in the form of an enhanced photo identification card of the size, design, and content as may be determined by the director or the director's designee shall be issued by the bureau to each licensee, as follows:

(1) If the licensee is an individual, the enhanced photo identification card shall be issued to the licensee and to the licensee's qualified manager.

(2) If the licensee is a partnership, the enhanced photo identification card shall be issued to each partner of the partnership licensee active in the business and to the licensee's qualified manager.

(3) If the licensee is a corporation, the enhanced photo identification card shall be issued to each officer active in the business and to the licensee's qualified manager.

(4) If a licensee holds a qualified manager license, the enhanced photo identification card shall be issued to the qualified manager licensee.

(b) The enhanced photo identification card is evidence that the licensee is licensed pursuant to this chapter. The card shall contain the name of the licensee, license expiration date, and a photograph of the licensee. The enhanced photo identification card shall clearly state that the person is licensed as a private investigator or is the qualified manager or officer of the licensee. The enhanced photo identification card is to be composed of a durable material and may incorporate technologically advanced security features. The bureau may recover its costs in an amount sufficient to reimburse the department's costs for furnishing the enhanced photo identification card. The fee charged shall not exceed the actual direct costs for system development, maintenance, and processing necessary to provide this service. The total amount of costs shall be recovered by including that amount in the fee charged for the initial application of and renewal of licensure. When the position, office, or association with a licensee belonging to a person to whom a card is issued is terminated, the person shall surrender the card to the licensee and, within five days thereafter, the licensee shall mail or deliver the card to the bureau for cancellation. Every person, while engaged in any activity for which licensure is required, shall display the person's valid enhanced photo identification card as provided by regulation.

(c) This section shall become operative on January 1, 2030.

SEC. 17. Section 7533.5 of the Business and Professions Code, as amended by Section 27 of Chapter 625 of the Statutes of 2022, is amended to read:

7533.5. (a) A licensee shall notify the bureau within 30 days of any change in its corporate officers required to be named pursuant to subdivision (h) of Section 7525.1 or members or managers required to be named pursuant to subdivision (i) of Section 7525.1,

and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers, members or managers, and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer, member or manager, or partner of a licensee has committed any of the acts constituting grounds to deny an application for a license or to take disciplinary action against a licensee pursuant to Section 7538 or 7538.5, respectively.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 18. Section 7533.5 of the Business and Professions Code, as amended by Section 28 of Chapter 625 of the Statutes of 2022, is amended to read:

7533.5. (a) A licensee shall notify the bureau within 30 days of any change in its corporate officers required to be named pursuant to subdivision (h) of Section 7525.1, and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer or partner of a licensee has committed any of the acts constituting grounds to deny an application for a license or to take disciplinary action against a licensee pursuant to Section 7538 or 7538.5, respectively.

(c) This section shall become operative on January 1, 2030.

SEC. 19. Section 7538 of the Business and Professions Code, as amended by Section 29 of Chapter 625 of the Statutes of 2022, is amended to read:

7538. (a) After a hearing the director may deny a license unless the applicant makes a showing satisfactory to the director that the applicant, if an individual, and the applicant's qualified manager have not, or, if the applicant is a person other than an individual, that its qualified manager and each of its officers, partners, members, or managers have not:

- (1) Committed any act that, if committed by a licensee, would be a ground for the suspension or revocation of a license under this chapter.
- (2) Committed any act constituting dishonesty or fraud.
- (3) Committed any act or crime constituting grounds for denial of licensure under Section 480, including illegally using, carrying, or possessing a deadly weapon.
- (4) Been refused a license under this chapter or had a license revoked.
- (5) Been an officer, partner, qualified manager, member, or manager of any person who has been refused a license under this chapter or whose license has been revoked.
- (6) While unlicensed committed, or aided and abetted the commission of, any act for which a license is required by this chapter.
- (7) Knowingly made any false statement in their application.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 20. Section 7538 of the Business and Professions Code, as amended by Section 30 of Chapter 625 of the Statutes of 2022, is amended to read:

7538. (a) After a hearing the director may deny a license unless the applicant makes a showing satisfactory to the director that the applicant, if an individual, and the applicant's qualified manager have not, or, if the applicant is a person other than an individual, that its qualified manager and each of its officers and partners have not:

- (1) Committed any act that, if committed by a licensee, would be a ground for the suspension or revocation of a license under this chapter.
- (2) Committed any act constituting dishonesty or fraud.
- (3) Committed any act or crime constituting grounds for denial of licensure under Section 480, including illegally using, carrying, or possessing a deadly weapon.
- (4) Been refused a license under this chapter or had a license revoked.

(5) Been an officer, partner, or qualified manager of any person who has been refused a license under this chapter or whose license has been revoked.

(6) While unlicensed committed, or aided and abetted the commission of, any act for which a license is required by this chapter.

(7) Knowingly made any false statement in their application.

(b) This section shall become operative on January 1, 2030.

SEC. 21. Section 7538.5 of the Business and Professions Code, as amended by Section 31 of Chapter 625 of the Statutes of 2022, is amended to read:

7538.5. (a) The director may refuse to issue any license provided for in this chapter to any of the following:

(1) An individual who has had any license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(2) An individual who, while acting as a partner of a partnership, an officer or director of a corporation, or a member, manager, or officer of a limited liability company, had their license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(3) An individual who, while acting as a partner of the partnership, an officer, director of the corporation, or a member, manager, or officer of a limited liability company meets both of the following conditions:

(A) The individual was a partner of any partnership, an officer or director of any corporation, or a member, manager, or officer of any limited liability company whose license was revoked, is currently under suspension, or was not renewed while under suspension.

(B) While acting as a partner, officer, director, member, or manager, they participated in any of the prohibited acts for which the license was revoked or suspended.

(4) An individual who is serving or has served as the qualified manager for any licensee that has had its license revoked, is currently under suspension, or failed to renew while under suspension.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 22. Section 7538.5 of the Business and Professions Code, as amended by Section 32 of Chapter 625 of the Statutes of 2022, is amended to read:

7538.5. (a) The director may refuse to issue any license provided for in this chapter to any of the following:

(1) An individual who has had any license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(2) An individual who, while acting as a partner of a partnership, or an officer or director of a corporation, had their license revoked, has a license currently under suspension, or failed to renew their license while under suspension.

(3) An individual, who, while acting as a partner of the partnership, or an officer or director of the corporation, meets both of the following conditions:

(A) The individual was a partner of any partnership, or an officer or director of any corporation, whose license was revoked, is currently under suspension, or was not renewed while under suspension.

(B) The individual, while acting as a partner, officer, or director, participated in any of the prohibited acts for which the license was revoked or suspended.

(4) An individual who is serving or has served as the qualified manager for any licensee that has had its license revoked, is currently under suspension, or failed to renew while under suspension.

(b) This section shall become operative on January 1, 2030.

SEC. 23. Section 7539 of the Business and Professions Code, as amended by Section 33 of Chapter 625 of the Statutes of 2022, is amended to read:

7539. (a) Any licensee or officer, director, partner, member, manager, or qualified manager of a licensee may divulge to any law enforcement officer or district attorney, or their representative, any information they may acquire as to any criminal offense, but

they shall not divulge to any other person, except as otherwise required by law, any information acquired by them except at the direction of the employer or client for whom the information was obtained.

(b) A licensee or officer, director, partner, member, manager, qualified manager, or employee of a licensee shall not knowingly make any false report to their employer or client for whom information was being obtained.

(c) A written report shall not be submitted to a client except by the licensee, qualified manager, or a person authorized by one or either of them, and the person submitting the report shall exercise diligence in ascertaining whether or not the facts and information in the report are true and correct.

(d) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee shall not use a badge in connection with the official activities of the licensee's business.

(e) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee, shall not use a title, or wear a uniform, or use an insignia, or use an identification card, or make any statement with the intent to give an impression that they are connected in any way with the federal government, a state government, or any political subdivision of a state government.

(f) A licensee, or officer, partner, manager, member, qualified manager, or employee of a licensee shall not use any identification to indicate that they are licensed as a private investigator other than the official identification card issued by the bureau or the business card regularly used by the business. However, a licensee may issue an employer identification card.

(g) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee, shall not enter any private building or portion thereof, except premises commonly accessible to the public, without the consent of the owner or of the person in legal possession thereof.

(h) A licensee shall not permit an employee or agent in their own name to advertise, engage clients, furnish reports or present bills to clients, or in any manner conduct business for which a license is required under this chapter. All business of the licensee shall be conducted in the name of and under the control of the licensee.

(i) A licensee, or officer, director, partner, manager, member, qualified manager, or employee of a licensee shall not knowingly and directly solicit employment from any person who has directly sustained bodily injury or from that person's spouse or other family member to obtain authorization on behalf of the injured person as an investigator to investigate the accident or act that resulted in injury or death to that person or damage to the property of that person. Nothing in this subdivision shall prohibit the soliciting of employment from that injured person's attorney, insurance company, self-insured administrator, insurance adjuster, employer, or any other person having an indirect interest in the investigation of the injury. This subdivision shall not apply to any business agent or attorney employed by a labor organization. A licensee, or officer, director, partner, manager, member, or qualified manager of a licensee shall not pay or compensate any of their employees or agents on the basis of a bonus, bounty, or quota system whereby a premium is placed on the number of employer or client rule violations or infractions purportedly discovered as a result of any investigation made by a licensee.

(j) A licensee shall not use a fictitious business name in connection with the official activities of the licensee's business, except as provided by the bureau.

(k) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 24. Section 7539 of the Business and Professions Code, as amended by Section 34 of Chapter 625 of the Statutes of 2022, is amended to read:

7539. (a) A licensee or officer, director, partner, or qualified manager of a licensee may divulge to any law enforcement officer or district attorney, or their representative, any information they may acquire as to any criminal offense, but they shall not divulge to any other person, except as otherwise required by law, any information acquired by them except at the direction of the employer or client for whom the information was obtained.

(b) A licensee or officer, director, partner, qualified manager, or employee of a licensee shall not knowingly make any false report to their employer or client for whom information was being obtained.

(c) A written report shall not be submitted to a client except by the licensee, qualified manager, or a person authorized by one or either of them, and the person submitting the report shall exercise diligence in ascertaining whether or not the facts and information in the report are true and correct.

(d) A licensee, or officer, director, partner, qualified manager, or employee of a licensee shall not use a badge in connection with the official activities of the licensee's business.

(e) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not use a title, or wear a uniform, or use an insignia, or use an identification card, or make any statement with the intent to give an impression that they are connected in any way with the federal government, a state government, or any political subdivision of a state government.

(f) A licensee, or officer, partner, qualified manager, or employee of a licensee shall not use any identification to indicate that they are licensed as a private investigator other than the official identification card issued by the bureau or the business card regularly used by the business. However, a licensee may issue an employer identification card.

(g) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not enter any private building or portion thereof, except premises commonly accessible to the public, without the consent of the owner or of the person in legal possession thereof.

(h) A licensee shall not permit an employee or agent in their own name to advertise, engage clients, furnish reports or present bills to clients, or in any manner conduct business for which a license is required under this chapter. All business of the licensee shall be conducted in the name of and under the control of the licensee.

(i) A licensee, or officer, director, partner, qualified manager, or employee of a licensee, shall not knowingly and directly solicit employment from any person who has directly sustained bodily injury or from that person's spouse or other family member to obtain authorization on behalf of the injured person as an investigator to investigate the accident or act that resulted in injury or death to that person or damage to the property of that person. This subdivision does not prohibit the soliciting of employment from that injured person's attorney, insurance company, self-insured administrator, insurance adjuster, employer, or any other person having an indirect interest in the investigation of the injury. This subdivision does not apply to any business agent or attorney employed by a labor organization. A licensee, officer, director, partner, or qualified manager of a licensee shall not pay or compensate any of their employees or agents on the basis of a bonus, bounty, or quota system whereby a premium is placed on the number of employer or client rule violations or infractions purportedly discovered as a result of any investigation made by a licensee.

(j) A licensee shall not use a fictitious business name in connection with the official activities of the licensee's business, except as provided by the bureau.

(k) This section shall become operative on January 1, 2030.

SEC. 25. Section 7573.5 of the Business and Professions Code is amended to read:

7573.5. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2029.

SEC. 26. Section 7574.01 of the Business and Professions Code is amended to read:

7574.01. For the purposes of this chapter, the following terms shall have the following meanings:

(a) "Bureau" means the Bureau of Security and Investigative Services.

(b) "Chief" means the Chief of the Bureau of Security and Investigative Services.

(c) "Director" means the Director of Consumer Affairs, unless the context indicates otherwise.

(d) "Federally recognized tribe" means a tribe located in this state and included on the list published in the Federal Register pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. Sec. 5131) and includes an entity controlled by and established for the benefit of one or more tribes.

(e) "Person" includes any individual, firm, company, association, organization, partnership, and corporation.

(f) "Proprietary private security employer" means a person who has one or more employees who provide security services for the employer and only for the employer. A person who employs proprietary private security officers pursuant to this chapter at more than one location shall be considered a single employer.

(g) "Proprietary private security officer" means an unarmed individual who is employed exclusively by any one employer whose primary duty is to provide security services for their employer, whose services are not contracted to any other entity or person, and who is not exempt pursuant to Section 7582.2, and who meets both of the following criteria:

(1) Is required to wear a distinctive uniform clearly identifying the individual as a security officer.

(2) Is likely to interact with the public while performing their duties.

(h) "Registrant" means an individual registered with the bureau under this chapter.

SEC. 27. Section 7574.14 of the Business and Professions Code is amended to read:

7574.14. This chapter shall not apply to the following:

(a) An officer or employee of the United States of America, or of this state or a political subdivision thereof, while the officer or employee is engaged in the performance of their official duties, including uniformed peace officers employed part time by a public agency pursuant to a written agreement between a chief of police or sheriff and the public agency, provided the part-time employment does not exceed 50 hours in a calendar month.

(b) Patrol special police officers appointed by the police commission of a city, county, or city and county under the express terms of its charter who also under the express terms of the charter (1) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (2) must be not less than 18 years of age nor more than 40 years of age, (3) must possess physical qualifications prescribed by the commission, and (4) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

(c) A peace officer of this state or a political subdivision thereof while the peace officer is employed by a private employer to engage in off-duty employment in accordance with Section 1126 of the Government Code. However, nothing herein shall exempt such a peace officer who either contracts for their services or the services of others as a private patrol operator or contracts for their services as or is employed as an armed private security officer. For purposes of this subdivision, "armed security officer" means an individual who carries or uses a firearm in the course and scope of that contract or employment.

(d) A retired peace officer of the state or political subdivision thereof when the retired peace officer is employed by a private employer in employment approved by the chief law enforcement officer of the jurisdiction where the employment takes place, provided that the retired officer is in a uniform of a public law enforcement agency, has registered with the bureau on a form approved by the director, and has met any training requirements or their equivalent as established for security personnel under Section 7583.5. This officer may not carry an unloaded and exposed handgun unless the officer is exempted under the provisions of Article 2 (commencing with Section 26361) of Chapter 6 of Division 5 of Title 4 of Part 6 of the Penal Code, may not carry an unloaded firearm that is not a handgun unless the officer is exempted under the provisions of Article 2 (commencing with Section 26405) of Chapter 7 of Division 5 of Title 4 of Part 6 of the Penal Code, and may not carry a loaded or concealed firearm unless the officer is exempted under the provisions of Sections 25450 to 25475, inclusive, of the Penal Code or Sections 25900 to 25910, inclusive, of the Penal Code or has met the requirements set forth in subdivision (d) of Section 26030 of the Penal Code. However, nothing herein shall exempt the retired peace officer who contracts for their services or the services of others as a private patrol operator.

(e) A peace officer in their official police uniform acting in accordance with subdivisions (c) and (d) of Section 70 of the Penal Code.

(f) An unarmed, uniformed security person employed exclusively and regularly by a motion picture studio facility employer who does not provide contract security services for other entities or persons in connection with the affairs of that employer only and where there exists an employer-employee relationship if that person at no time carries or uses a deadly weapon, as defined in subdivision (a), in the performance of their duties, which may include, but are not limited to, the following business purposes:

(1) The screening and monitoring access of employees of the same employer.

(2) The screening and monitoring access of prearranged and preauthorized invited guests.

(3) The screening and monitoring of vendors and suppliers.

(4) Patrolling the private property facilities for the safety and welfare of all who have been legitimately authorized to have access to the facility.

(g) An armored contract carrier operating armored vehicles pursuant to the authority of the Department of the California Highway Patrol or the Public Utilities Commission, or an armored vehicle guard employed by an armored contract carrier.

(h) A federally recognized tribe that has one or more employees who provide unarmed security services only for the federally recognized tribe and an unarmed individual employed by a federally recognized tribe to provide security services only for the federally recognized tribe.

SEC. 28. Section 7576 of the Business and Professions Code is amended to read:

7576. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be

repealed as of January 1, 2029.

SEC. 29. Section 7580.3 of the Business and Professions Code is amended to read:

7580.3. As used in this chapter, “person” includes any individual, firm, company, association, organization, partnership, corporation, and participating tribe.

SEC. 30. Section 7580.15 is added to the Business and Professions Code, to read:

7580.15. (a) As used in this chapter, the following definitions apply:

(1) “Federally recognized tribe” means a tribe located in this state and included on the list published in the Federal Register pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. Sec. 5131) and includes an entity controlled by and established for the benefit of one or more tribes.

(2) “Participating tribe” means a federally recognized tribe that formally applies for licensure from the bureau pursuant to subdivision (b).

(b) The bureau shall license a federally recognized tribe that applies for licensure and is otherwise compliant with the provisions of this chapter for the purpose of engaging in a business regulated by this chapter.

(c) This chapter is not intended to infringe upon or diminish the existing rights, privileges, and immunities of federally recognized tribes as set forth in federal, state, or tribal law, or the jurisdiction of those participating tribes.

(d) This chapter does not confer upon the bureau or director any rights or authority to regulate any activity within the jurisdiction of a participating tribe.

SEC. 31. Section 7582.1 of the Business and Professions Code is amended to read:

7582.1. (a) A private patrol operator, or operator of a private patrol service, within the meaning of this chapter is a person, other than an armored contract carrier, who, for any consideration whatsoever:

Agrees to furnish, or furnishes, a watchman, guard, patrolperson, or other person to protect persons or property or to prevent the theft, unlawful taking, loss, embezzlement, misappropriation, or concealment of any goods, wares, merchandise, money, bonds, stocks, notes, documents, papers, or property of any kind; or performs the service of a watchman, guard, patrolperson, or other person, for any of these purposes.

(b) (1) A person licensed as a private patrol operator only may not make any investigation or investigations except those that are incidental to the theft, loss, embezzlement, misappropriation, or concealment of any property, or any other thing enumerated in this section that they have been hired or engaged to protect, guard, or watch.

(2) Paragraph (1) shall not apply to any federally recognized tribe performing investigative functions within the jurisdiction of a federally recognized tribe, consistent with federal or tribal law.

(c) An armored contract carrier within the meaning of this chapter is a contract carrier operating armored vehicles pursuant to California Highway Patrol and Public Utilities Commission authority.

(d) An armored vehicle guard within the meaning of this chapter is any person employed by an armored contract carrier who in the course of that employment carries a deadly weapon.

(e) A security guard or security officer, within the meaning of this chapter, is an employee of a private patrol operator, or an employee of a lawful business or public agency who is not exempted pursuant to Section 7582.2, who performs the functions as described in subdivision (a) on or about the premises owned or controlled by the customer of the private patrol operator or by the guard's employer or in the company of persons being protected.

(f) A street patrolperson, within the meaning of this chapter, is a security guard or security officer employed by a private patrol operator who performs the functions described in subdivision (a) by street patrol service utilizing foot patrol, motor patrol, or other means of transportation in public areas, streets or public thoroughfares in order to serve multiple customers. “Street patrolperson” does not include management or supervisory employees of the private patrol operator moving from one customer location to another to inspect personnel or security guard or security officers.

(g) This section shall not limit the ability of a participating tribe to do either of the following:

(1) Perform for itself any services set forth in subdivision (a).

(2) Perform other investigative functions within the jurisdiction of a federally recognized tribe, consistent with federal or tribal law.

SEC. 32. Section 7582.2 of the Business and Professions Code is amended to read:

7582.2. This chapter does not apply to the following:

(a) A person who does not meet the requirements to be a proprietary private security officer, as defined in Section 7574.01, and is employed exclusively and regularly by an employer who does not provide contract security services for other entities or persons, in connection with the affairs of the employer only and where there exists an employer-employee relationship if that person at no time carries or uses a deadly weapon in the performance of that person's duties. For purposes of this subdivision, "deadly weapon" is defined to include an instrument or weapon of the kind commonly known as a blackjack, slungshot, billy, sandclub, sandbag, metal knuckles, a dirk, dagger, pistol, revolver, or any other firearm, a knife having a blade longer than five inches, a razor with an unguarded blade, and a metal pipe or bar used or intended to be used as a club.

(b) An officer or employee of the United States or of this state or a political subdivision thereof, while the officer or employee is engaged in the performance of the officer's or employee's official duties, including uniformed peace officers employed part time by a public agency pursuant to a written agreement between a chief of police or sheriff and the public agency, provided the part-time employment does not exceed 50 hours in any calendar month.

(c) Patrol special police officers appointed by the police commission of a city, county, or city and county under the express terms of its charter who also under the express terms of the charter (1) are subject to suspension or dismissal after a hearing on charges duly filed with the commission after a fair and impartial trial, (2) must be not less than 18 years of age nor more than 40 years of age, (3) must possess physical qualifications prescribed by the commission, and (4) are designated by the police commission as the owners of a certain beat or territory as may be fixed from time to time by the police commission.

(d) A peace officer of this state or a political subdivision thereof while the peace officer is employed by a private employer to engage in off-duty employment in accordance with Section 1126 of the Government Code. However, nothing herein shall exempt a peace officer who either contracts for the peace officer's services or the services of others as a private patrol operator or contracts for the peace officer's services as or is employed as an armed private security officer. For purposes of this subdivision, "armed security officer" means an individual who carries or uses a firearm in the course and scope of that contract or employment.

(e) A retired peace officer of the state or political subdivision thereof when the retired peace officer is employed by a private employer in employment approved by the chief law enforcement officer of the jurisdiction where the employment takes place, provided that the retired officer is in a uniform of a public law enforcement agency, has registered with the bureau on a form approved by the director, and has met any training requirements or their equivalent as established for security personnel under Section 7583.5. This officer may not carry an unloaded and exposed handgun unless the officer is exempted under the provisions of Article 2 (commencing with Section 26361) of Chapter 6 of Division 5 of Title 4 of Part 6 of the Penal Code, may not carry an unloaded firearm that is not a handgun unless the officer is exempted under the provisions of Article 2 (commencing with Section 26405) of Chapter 7 of Division 5 of Title 4 of Part 6 of the Penal Code, and may not carry a loaded or concealed firearm unless the officer is exempted under the provisions of Article 2 (commencing with Section 25450) of Chapter 2 of Division 5 of Title 4 of Part 6 of the Penal Code or Sections 25900 to 25910, inclusive, of the Penal Code or has met the requirements set forth in subdivision (d) of Section 26030 of the Penal Code. However, nothing herein shall exempt the retired peace officer who contracts for the officer's services or the services of others as a private patrol operator.

(f) A peace officer in official police uniform acting in accordance with subdivisions (c) and (d) of Section 70 of the Penal Code.

(g) An unarmed, uniformed security person employed exclusively and regularly by a motion picture studio facility employer who does not provide contract security services for other entities or persons in connection with the affairs of that employer only and where there exists an employer-employee relationship if that person at no time carries or uses a deadly weapon, as defined in subdivision (a), in the performance of that person's duties, which may include, but are not limited to, the following business purposes:

(1) The screening and monitoring access of employees of the same employer.

(2) The screening and monitoring access of prearranged and preauthorized invited guests.

(3) The screening and monitoring of vendors and suppliers.

(4) Patrolling the private property facilities for the safety and welfare of all who have been legitimately authorized to have access to the facility.

SEC. 33. Section 7582.7 of the Business and Professions Code is amended to read:

7582.7. An application shall be verified and shall include:

- (a) The full name and business address of the applicant.
- (b) The name under which the applicant intends to do business.
- (c) A statement as to the general nature of the business in which the applicant intends to engage.
- (d) A statement as to the type of license for which the applicant is applying.
- (e) A verified statement of the applicant's experience qualifications.
- (f) (1) If the applicant is an individual, a qualified manager, partner of a partnership, or officer of a corporation designated in subdivision (i), one personal identification form provided by the bureau upon which shall appear a photograph taken within one year immediately preceding the date of the filing of the application together with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, on a form approved by the Department of Justice, and a personal description of each person, respectively. The identification form shall include residence addresses and employment history for the previous five years and be signed under penalty of perjury.

(2) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants, excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.
- (g) In addition, if the applicant for a license is an individual, the application shall list all other names known as or used during the past 10 years and shall state that the applicant is to be personally and actively in charge of the business for which the license is sought, or if any other qualified manager is to be actively in charge of the business, the application shall be subscribed, verified, and signed by the applicant, under penalty of perjury, and if any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person under penalty of perjury.
- (h) If the applicants for license are copartners, the application shall state the true names and addresses of all partners and the name of the partner to be actively in charge of the business for which the license is sought; and list all other names known as or used during the past 10 years, or if a qualified manager other than a partner is to be actively in charge of the business, then the application shall be subscribed, verified, and signed by all of the partners under penalty of perjury, and if any other person is to be actively in charge of the business, the application shall also be subscribed, verified, and signed by that person, under penalty of perjury, under penalty of perjury by all of the partners and qualified manager, or by all of the partners or the qualified manager.
- (i) If the applicant for license is a corporation, the application shall state the true names, and complete residence addresses of the chief executive officer, secretary, chief financial officer, and any other corporate officer who will be active in the business to be licensed. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized officer of the applicant and by the qualified manager thereof, under penalty of perjury.

(j) If the applicant for a license is a participating tribe, the application shall state the names and business addresses of those individuals authorized to submit the application on behalf of the participating tribe, as well as the names and addresses of the designated persons to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by an officer of the participating tribe and by the qualified manager thereof, under penalty of perjury.

(k) Any other information, evidence, statements, or documents as may be required by the director.

SEC. 34. Section 7583.22 of the Business and Professions Code is amended to read:

7583.22. (a) A licensee, qualified manager of a licensee, or security guard who, in the course of their employment, may be required to carry a firearm shall, prior to carrying a firearm, do all of the following:

- (1) Complete a course of training in the carrying and use of firearms.
- (2) Receive a firearms qualification card or be otherwise qualified to carry a firearm as provided in Section 7583.12.

(b) A security guard who, in the course of their employment, may be required to carry a firearm, shall, prior to carrying a firearm, be found capable of exercising appropriate judgment, restraint, and self-control for the purposes of carrying and using a firearm during the course of their duties, pursuant to Section 7583.47.

(c) A licensee shall not permit an employee to carry or use a loaded or unloaded firearm, whether or not it is serviceable or operative, unless the employee possesses a valid and current firearms qualification card issued by the bureau or is so otherwise qualified to carry a firearm as provided in Section 7583.12.

(d) A pocket card issued by the bureau pursuant to Section 7582.13 may also serve as a firearms qualification card if so indicated on the face of the card.

(e) Paragraph (1) of subdivision (a) shall not apply to either of the following:

(1) A peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who has successfully completed a course of study in the use of firearms within the 24 months preceding the date of the application.

(2) A federal qualified law enforcement officer, as defined in Section 926B of Title 18 of the United States Code, who has successfully completed a course of study in the use of firearms within the 24 months preceding the date of application.

SEC. 35. Section 7583.23 of the Business and Professions Code is amended to read:

7583.23. The bureau shall issue a firearms permit when all of the following conditions are satisfied:

(a) The applicant is a licensee, a qualified manager of a licensee, or a registered security guard subject to the following:

(1) The firearms permit may only be associated with the following:

(A) A sole owner of a sole ownership licensee, pursuant to Section 7582.7 or 7525.1.

(B) A partner of a partnership licensee, pursuant to Section 7582.7 or 7525.1.

(C) A qualified manager of a licensee, pursuant to Section 7536 or 7582.22.

(D) A security guard registrant.

(2) If the firearms permit is associated with a security guard registration, they are subject to the provisions of Section 7583.47, regardless of any other license possessed or associated with the firearms permit.

(b) (1) A bureau-certified firearms training instructor has certified that the applicant has successfully completed a written examination prepared by the bureau and training course in the carrying and use of firearms approved by the bureau within the six months preceding the date the application is submitted to the bureau.

(2) An applicant who is a bureau-certified firearms training instructor is prohibited from self-certifying as having successfully carried out the requirements of paragraph (1) and shall instead carry out the requirements under another bureau-certified firearms training instructor.

(c) The applicant has filed with the bureau a classifiable fingerprint card, a completed application for a firearms permit on a form prescribed by the director, dated and signed by the applicant, certifying under penalty of perjury that the information in the application is true and correct. In lieu of a classifiable fingerprint card, the applicant may submit fingerprints into an electronic fingerprinting system administered by the Department of Justice. An applicant who submits their fingerprints by electronic means shall have their fingerprints entered into the system through a terminal operated by a law enforcement agency or other facility authorized by the Department of Justice to conduct electronic fingerprinting. The terminal operator may charge a fee sufficient to reimburse it for the costs incurred in providing this service.

(d) The applicant is at least 21 years of age and the bureau has determined, after investigation, that the carrying and use of a firearm by the applicant, in the course of their duties, presents no apparent threat to the public safety, or that the carrying and use of a firearm by the applicant is not in violation of the Penal Code.

(e) The applicant has produced evidence to the firearm training facility that the applicant is a citizen of the United States or has permanent legal immigration status in the United States. Evidence of citizenship or permanent legal immigration status shall be deemed sufficient by the bureau to ensure compliance with federal laws prohibiting possession of firearms by persons unlawfully in the United States and may include, but not be limited to, United States Department of Justice, Immigration and Naturalization Service Form I-151 or United States Citizenship and Immigration Services Form I-551 (Permanent Resident Card), naturalization documents, or birth certificates evidencing lawful residence or status in the United States.

(f) The application is accompanied by the application fees prescribed in this chapter.

(g) (1) If the applicant is a registered security guard and they have been found capable of exercising appropriate judgment, restraint, and self-control, for the purposes of carrying and using a firearm during the course of their duties, pursuant to Section 7583.47.

(2) The requirement in paragraph (1) shall be completed within six months preceding the date the application is submitted to the bureau.

SEC. 36. Section 7583.32 of the Business and Professions Code is amended to read:

7583.32. (a) A firearms qualification card expires two years from the date of issuance, if not renewed. A person who wishes to renew a firearms qualification card shall file an application for renewal at least 60 days prior to the card's expiration. A person whose card has expired shall not carry a firearm until that person has been issued a renewal card by the bureau.

(b) The bureau shall not renew a firearms qualification card unless all of the following conditions are satisfied:

(1) The cardholder has filed with the bureau a completed application for renewal of a firearms qualification card, on a form prescribed by the director, dated and signed by the applicant under penalty of perjury certifying that the information on the application is true and correct.

(2) (A) The applicant has requalified on the range and has successfully passed a written examination based on course content as specified in the firearms training manual approved by the department and taught at a training facility approved by the bureau.

(B) An applicant who is a bureau-certified firearms training instructor is prohibited from self-certifying as having successfully carried out the requirements of subparagraph (A) and shall instead carry out the requirements under another bureau-certified firearms training instructor.

(3) The application is accompanied by a firearms requalification fee as prescribed in this chapter.

(4) The applicant has produced evidence to the firearm training facility, either upon receiving their original qualification card or upon filing for renewal of that card, that the applicant is a citizen of the United States or has permanent legal immigration status in the United States. Evidence of citizenship or permanent legal immigration status is that deemed sufficient by the bureau to ensure compliance with federal laws prohibiting possession of firearms by persons unlawfully in the United States and may include, but not be limited to, the United States Department of Justice, Immigration and Naturalization Service Form I-151 or United States Citizenship and Immigration Services Form I-551 (Permanent Resident Card), naturalization documents, or birth certificates evidencing lawful residence or status in the United States.

(c) An expired firearms qualification card may not be renewed. A person with an expired registration is required to apply for a new firearms qualification in the manner required of persons not previously registered. A person whose card has expired shall not carry a firearm until that person has been issued a new firearms qualification card by the bureau.

(d) Paragraph (2) of subdivision (b) shall not apply to:

(1) A duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who is authorized to carry a firearm in the course of the officer's duties and who has successfully completed requalification training within the 12 months preceding the month of the permit's expiration.

(2) A federal qualified law enforcement officer, as defined in Section 926B of Title 18 of the United States Code (18 U.S.C. Sec. 926B), who is authorized to carry a firearm in the course of the officer's duties and who has successfully completed requalification training within the 12 months preceding the month of the permit's expiration.

SEC. 37. Section 7583.47 of the Business and Professions Code is amended to read:

7583.47. (a) As used in this section, "assessment" means the application of a testing instrument identified by the bureau that evaluates whether an applicant for a firearms permit who is a registered security guard, at the time of the assessment, possesses appropriate judgment, restraint, and self-control for the purposes of carrying and using a firearm during the course of their security guard duties.

(b) The applicant shall complete the assessment, as specified in this section.

(c) (1) The bureau shall implement a process to administer the assessment specified in this section. The establishment of the assessment and the process for administering the assessment shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) The bureau shall consult with a California licensed psychologist, psychologists, or other persons with subject matter expertise, whose minimum duties shall include, but are not limited to, assisting the bureau with all of the following:

(A) Establishing criteria for a contract with a vendor to administer the assessment.

(B) Identifying minimum standards for the assessment.

(C) Evaluating currently available assessments.

(D) Providing consultative services on the bids received by the bureau from third-party vendors seeking to administer and interpret the assessment, to ensure both of the following:

(i) Compliance with the applicable standards of care for the administration and interpretation of such assessments.

(ii) The assessment will be administered in accordance with the assessment manufacturer's requirements.

(3) The bureau shall contract with a third-party vendor to administer the assessment. All third-party vendors seeking to administer the assessment must meet the minimum standards established by the bureau, its consultants, and the assessment manufacturer's requirements for administering the assessment. Considerations for the third-party vendor contract shall include, but are not limited to, all of the following:

(A) Cost to the applicant to complete the assessment.

(B) Geographic accessibility statewide of the assessment to applicants.

(C) Assessment compliance with the established minimum standards for the assessment and assessment process.

(D) Ensuring an assessment carried out on an applicant complies with the applicable professional standards of care for such assessments, as well as the assessment manufacturer's requirements for administering the assessment.

(d) The applicant, or the applicant's designee or employer if the employer voluntarily chooses, shall bear the cost of the assessment.

(e) Within 30 days of administering an applicant's assessment, the vendor shall directly provide the bureau, on a form and in a manner prescribed by the bureau, the applicant's assessment results. If the results of the applicant's assessment indicate that the applicant is incapable of exercising appropriate judgment, restraint, and self-control for the purposes of carrying and using a firearm during the course of the applicant's duties, at the point in time of the evaluation, the bureau shall not issue a firearms permit. If the applicant fails the assessment, the applicant may complete another assessment no earlier than 180 days after the results of the previous assessment are provided to the bureau.

(f) The application shall be deemed incomplete until the bureau receives the results of the applicant's assessment and the results indicate that the applicant is capable of exercising appropriate judgment, restraint, and self-control for the purposes of carrying and using a firearm during the course of the applicant's duties.

(g) Notwithstanding any other law, an applicant who fails the assessment shall not be entitled to an administrative hearing or an appeal subject to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. However, such an applicant who is denied a firearms permit may request review of the denial pursuant to Section 7583.29.

(h) The bureau may prescribe, adopt, and enforce emergency regulations, and promulgate regulations to implement this section. Any emergency regulation prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of the regulation is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(i) The assessment required pursuant to this section shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this section was scheduled to be repealed as of January 1, 2029.

(j) Nothing in this section requires any private business entity that contracts with the bureau for the administration of the assessment to produce documents related to the content, methodology, results, or scoring criteria of the assessment, or any trade secret, as defined in subdivision (d) of Section 3426.1 of the Civil Code, for any private individual, firm, copartnership, association, or corporation.

SEC. 38. Section 7584.3 of the Business and Professions Code is amended to read:

7584.3. The bureau shall issue a baton permit to an applicant if all of the following conditions are satisfied:

(a) The applicant is a sole owner of a sole ownership licensee, a qualified manager of a licensee, a partner of a partnership licensee pursuant to Section 7582.7, or a registered security guard.

(b) (1) Except as specified in paragraph (2), the applicant has completed the course of training in the carrying and use of a baton specified in Section 7585.9 within the six months preceding the date the application is submitted to the bureau.

(2) This subdivision shall not apply to a qualified law enforcement officer, as defined in subdivision (b) of Section 7584, who has successfully completed a course of study in the use of batons within the 24-month period preceding the date of application.

(c) A certified baton training instructor has attested under penalty of perjury that the applicant has successfully completed the baton training course specified in Section 7585.9.

(d) The applicant has completed an application for a baton permit on a form prescribed by the director, dated and signed by the applicant, attesting under penalty of perjury that the information in the application is true.

(e) The application is accompanied by the application fee prescribed in this chapter.

SEC. 39. Section 7585.3 of the Business and Professions Code is amended to read:

7585.3. (a) Any institution, firm, participating tribe, or individual wishing the approval of the bureau to offer the firearms course shall complete an application for certification as a firearms training facility. The application shall be in a form prescribed by the chief and shall include, but not be limited to, the following information:

(1) The name, business address, and telephone number of the institution, firm, entity, or individual.

(2) A detailed description of the places, days, and times the course will be offered.

(3) An estimate of the minimum and maximum class size.

(4) The location and description of the range facilities.

(5) The name or names of the firearms training instructors who will teach the course who have been certified by the bureau, and their certificate numbers, if available.

(b) The application shall be accompanied by the fee prescribed in this chapter.

SEC. 40. Section 7585.11 of the Business and Professions Code is amended to read:

7585.11. (a) Any institution, firm, participating tribe, or individual wishing approval of the bureau to offer the baton course shall complete an application for certification as a baton training facility. The application shall be in a form prescribed by the chief and shall include, but not be limited to, all of the following information:

(1) The name, business address, and telephone number of the institution, firm, or individual.

(2) A detailed description of the places, days, and times the course will be offered.

(3) An estimate of the minimum and maximum class size.

(4) Location and description of the facilities.

(5) The name or names of the baton instructors who will teach the course who have been certified by the bureau, and their certificate numbers if available.

(b) The application shall be accompanied by the fee prescribed in this chapter.

(c) No approval shall be given, and no certification shall be issued, to a baton training facility until a baton training instructor who has been certified by the bureau has been approved to teach the course.

(d) Upon approval by the bureau of a baton training facility, the chief shall issue to the facility a "Baton Training Facility Certificate." The certificate is valid only when the baton training facility has in its employ a baton training instructor who has been certified by the bureau. The certificate shall be posted in a conspicuous place at the facility.

SEC. 41. Section 7587.11 of the Business and Professions Code is amended to read:

7587.11. (a) Notwithstanding any other law, the failure of any person licensed to do business as a corporation in this state to be registered and in good standing with the Secretary of State and the Franchise Tax Board after notice from the bureau shall result in the automatic suspension of the licensee by operation of law. The bureau shall notify the licensee in writing of its failure to be registered and in good standing with the Secretary of State or Franchise Tax Board, or both, and that the licensee shall be suspended 30 days from the date of the notice if the licensee does not provide proof satisfactory to the bureau that it is properly registered and in good standing with the Secretary of State or Franchise Tax Board, or both. Reinstatement may be made at any time following the suspension by providing proof satisfactory to the bureau that the license is properly registered and in good standing and the payment of the reinstatement fee as prescribed by this chapter.

(b) This section shall not apply to a participating tribe or a participating tribe's business that is chartered under tribal or federal law.

SEC. 42. Section 7588.8 of the Business and Professions Code is amended to read:

7588.8. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2029.

SEC. 43. Section 7593.1 of the Business and Professions Code, as amended by Section 38 of Chapter 625 of the Statutes of 2022, is amended to read:

7593.1. (a) Each individual applicant, partner of a partnership, designated officer of a corporation, member, officer, or manager of a limited liability company, and a qualified manager shall submit with the application one personal identification form provided by the chief, with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 44. Section 7593.1 of the Business and Professions Code, as amended by Section 39 of Chapter 625 of the Statutes of 2022, is amended to read:

7593.1. (a) Each individual applicant, partner of a partnership, designated officer of a corporation, and a qualified manager shall submit with the application, one personal identification form provided by the chief, with two legible sets of fingerprints, one set of which shall be forwarded to the Federal Bureau of Investigation for purposes of a background check, and personal description of each such person, respectively. The identification form shall include residence addresses and employment history for the previous five years.

(b) The bureau may impose a fee not to exceed three dollars (\$3) for processing classifiable fingerprint cards submitted by applicants excluding those submitted into an electronic fingerprint system using electronic fingerprint technology.

(c) This section shall become operative on January 1, 2030.

SEC. 45. Section 7593.5 of the Business and Professions Code is amended to read:

7593.5. (a) If the applicant for a license is a limited liability company, the application shall state the true names and complete residence addresses of each member, manager, and any other officer who will be active in the business to be licensed. A copy of the articles of organization issued by the Secretary of State shall be supplied to the bureau upon request. The application shall also state the name and address of the designated person to be actively in charge of the business for which the license is sought. The application shall be subscribed, verified, and signed by a duly authorized member of the applicant under penalty of perjury.

(b) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 46. Section 7596.83 of the Business and Professions Code is amended to read:

7596.83. (a) A firearm permit may be automatically revoked if at any time the Department of Justice notifies the bureau that the holder of the firearm permit is prohibited from possessing, receiving, or purchasing a firearm pursuant to state or federal law. Following the automatic revocation, an administrative hearing shall be provided upon written request to the bureau in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The bureau may seek an emergency order pursuant to Article 13 (commencing with Section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code against the holder of the firearms permit if, after the bureau's investigation relating to any of the following events, the bureau determines that the holder of the firearms permit presents an undue hazard to public safety that may result in substantial injury to another:

(1) Receipt of subsequent arrest information of an arrest for any of the following:

(A) Assault.

(B) Battery.

(C) Any use of force or violence on any person committed by the permitholder.

(2) A report from a bureau-approved firearms training facility or instructor made pursuant to Section 7585.18.

(3) A report from the permitholder's employer or former employer that the permitholder may be a threat to public safety.

(4) A complaint filed by any member of the public that the permitholder may be a threat to public safety.

(5) If the permitholder has been determined incapable of exercising appropriate judgment, restraint, and self-control pursuant to the assessment required under Section 7583.47 for a permit associated with a security guard registration.

SEC. 47. Section 7599.345 of the Business and Professions Code is amended to read:

7599.345. Notwithstanding any other law, commencing January 1, 2030, a licensee shall not conduct business under this chapter as a limited liability company.

SEC. 48. Section 7599.80 of the Business and Professions Code is amended to read:

7599.80. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2029.

SEC. 49. Section 2.5 of this bill incorporates amendments to Section 146 of the Business and Professions Code proposed by both this bill and Assembly Bill 2148. 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 146 of the Business and Professions Code, and (3) this bill is enacted after Assembly Bill 2148, in which case Section 2 of this bill shall not become operative.

SEC. 50. 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.