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AB-318 Child daycare: application: fees. (2025-2026)

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AMENDED IN ASSEMBLY MARCH 27, 2025

CALIFORNIA LEGISLATURE — 2025-2026 REGULAR SESSION

**ASSEMBLY BILL** NO. 318

## **Introduced by Assembly Member Alanis**

January 24, 2025

An act to amend Section 1596.803 of, and to add Section 1596.801 to, the Health and Safety Code, relating to child daycare.

## LEGISLATIVE COUNSEL'S DIGEST

AB 318, as amended, Alanis. Child daycare: application: fees.

Under existing law, the California Child Day Care Facilities Act, the State Department of Social Services licenses and regulates family daycare homes. Existing law requires the department to charge an applicant for licensure under the act an initial application fee and an annual license fee and authorizes a child daycare facility to use a bona fide business or personal check to pay the annual license fee.

This bill would also authorize a child daycare facility to use a bona fide business or personal check to pay the initial application fee and, beginning January 1, 2028, require the department to accept credit card payments for initial application fees and license fees from child daycare facilities. The bill would also require the department, beginning no later than January 1, 2027, 2028, to accept initial applications for licensure electronically.

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

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

**SECTION 1.** Section 1596.801 is added to the Health and Safety Code, to read:

1596.801. Beginning no later than January 1,-2027, 2028, the department shall accept initial applications for licensure electronically. An applicant may submit its initial application electronically or in hard copy.

SEC. 2. Section 1596.803 of the Health and Safety Code is amended to read:

**1596.803.** (a) (1) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a child daycare facility. After initial licensure, a fee shall be charged by the department annually, on each anniversary of the effective date of the license. The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows, subject to paragraph (2):

## Fee Schedule

Facility Type	Capacity	Original Application	Annual Fee
Family Day Care	1–8	\$73	\$73
	9–14	\$140	\$140
Day Care Centers	1–30	\$484	\$242
	31–60	\$968	\$484
	61–75	\$1,210	\$605
	76–90	\$1,452	\$726
	91–120	\$1,936	\$968
	121+	\$2,420	\$1,210

- (2) (A) The Legislature finds that all revenues generated by fees for licenses computed under this section and used for the purposes for which they were imposed are not subject to Article XIII B of the California Constitution.
  - (B) The department, at least every five years, shall analyze initial application fees and annual fees issued by it to ensure the appropriate fee amounts are charged. The department shall recommend to the Legislature that fees established by the Legislature be adjusted as necessary to ensure that the amounts are appropriate.
- (b) (1) In addition to fees set forth in subdivision (a), the department shall charge the following fees:
  - (A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.
  - (B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.
  - (C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.
  - (D) An orientation fee of twenty-five dollars (\$25) for attendance by any individual at a department-sponsored family child daycare home orientation session, and a fifty dollar fifty-dollar (\$50) orientation fee for attendance by any individual at a department-sponsored child daycare center orientation session.
  - (E) A probation monitoring fee equal to the current annual fee, in addition to the current annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).
  - (F) A late fee that represents an additional 50 percent of the established current annual fee when any licensee fails to pay the current annual licensing fee on or before the due date as indicated by postmark on the payment.
  - (G) A fee to cover any costs incurred by the department for processing payments including, but not limited to, bounced check charges, charges for credit and debit transactions, and postage due charges.
  - (H) A plan of correction fee of two hundred dollars (\$200) when any licensee does not implement a plan of correction on or prior to the date specified in the plan.
  - (2) No local jurisdiction shall impose any business license, fee, or tax for the privilege of operating a small family daycare home licensed under this act.
- (c) (1) The revenues collected from licensing fees pursuant to this section shall be utilized by the department for the purpose of ensuring the health and safety of all individuals provided care and supervision by licensees, and to support the activities of the licensing program, including, but not limited to, monitoring facilities for compliance with licensing laws and regulations pursuant to this act, and other administrative activities in support of the licensing program, when appropriated for these purposes. The

revenues collected shall be used in addition to any other funds appropriated in the annual Budget Act in support of the licensing program. The department shall adjust the fees collected pursuant to this section as necessary to ensure they do not exceed the costs described in this paragraph.

- (2) The department shall not utilize any portion of these revenues sooner than 30 days after notification in writing of the purpose and use, as approved by the Department of Finance, to the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the committee in each house of the Legislature that considers appropriations for each fiscal year. The department shall submit a budget change proposal to justify any positions or any other related support costs on an ongoing basis.
- (d) (1) A child daycare facility may use a bona fide business or personal check to pay the initial application fee or the license fee, or both, required under this section.
  - (2) Beginning no later than January 1, <del>2027,</del> 2028, the department shall accept credit card payments for initial application fees and license fees required under this section from child daycare facilities.
- (e) The failure of an applicant for licensure or a licensee to pay all applicable and accrued fees and civil penalties shall constitute grounds for denial or forfeiture of a license.