

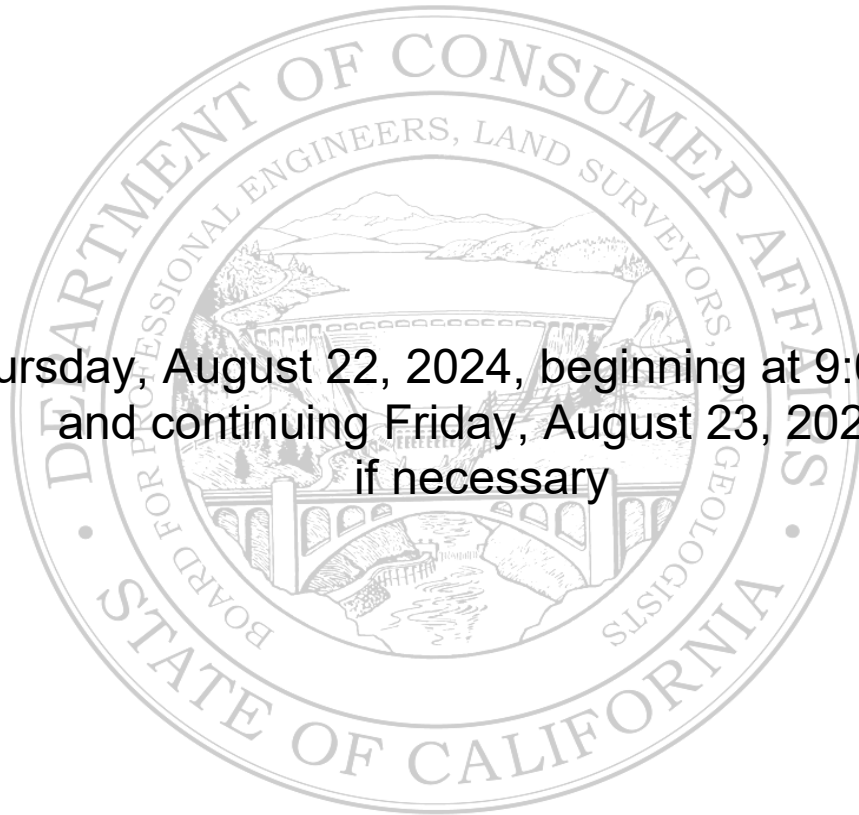


Gavin Newsom, Governor

## Meeting of the Board for Professional Engineers, Land Surveyors, and Geologists

Board for Professional Engineers,  
Land Surveyors, and Geologists

Thursday, August 22, 2024, beginning at 9:00 a.m.,  
and continuing Friday, August 23, 2024,  
if necessary



Board for Professional Engineers,  
Land Surveyors, and Geologists  
2535 Capitol Oaks Drive  
Third Floor Conference Room  
Sacramento, CA 95833



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BOARD MEETING

AUGUST 22-23, 2024

Board for Professional Engineers, Land Surveyors, and Geologists  
2535 Capitol Oaks Drive  
Third Floor Conference Room  
Sacramento, CA 95833

### BOARD MEMBERS

President Christina Wong; Vice-President Guillermo Martinez; Fel Amistad; Alireza Asgari; Khaesha Brooks; Rossana D'Antonio; Michael Hartley; Coby King; Betsy Mathieson; Frank Ruffino; Wilfredo Sanchez; Fermin Villegas; and Cliff Waldeck

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A. Deliberate on a Decision(s) to be Reached in a Proceeding(s) Required to be Conducted Pursuant to Chapter 5 (commencing with Section 11500), as Authorized by Government Code Section 11126(c)(3).	
B. Confer with, or Receive Advice from, Its Legal Counsel Regarding Pending Litigation Pursuant to Government Code Section 11126(e)(1) and (2)(A), on the following matters:	
1. <u>Ryan Crownholm, et al. vs. Richard B. Moore, et al.</u> , United States District Court, Eastern District of California, Case No. 2:22-cv-01720-DAD-CKD	
2. <u>Victor Rodriguez-Fernandez vs. California Board for Professional Engineers, Land Surveyors, and Geologists</u> , San Diego County Superior Court, Case No. 37-2023-00053465-CU-WM-CTL	
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## **I. Roll Call to Establish a Quorum**

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## II. Pledge of Allegiance

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### **III. Public Comment for Items Not on the Agenda**

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#### IV. Administration

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- A. Fiscal Year 2023/24 Budget Report
- B. 2024 Fee Study (**Possible Action**)



GUIDE TO READING THE REVENUE REPORT AND EXPENDITURE REPORT

Revenues

Fee increase effective January 1, 2021 has had a positive impact on revenues. Total revenue up \$1,276,880 (25%) over prior period.

**Current Year Projections**  
Identifies the revenue amount that BPELSG projects for FY 21-22.

Revenue Category	PRIOR YEAR FY 2020-21 FM 4	CURRENT YEAR FY 2021-22 FM 4	CURRENT YEAR Projections
Delinquent Fees	\$38,696	↑ \$51,464	\$150,076
Other Regulatory Fees	\$32,130	↑ \$39,578	\$102,138
Other Regulatory Licenses & Permits	\$297,960	↑ \$645,747	\$1,743,588
Other Revenue	\$20,822	↓ \$10,486	\$51,328
Renewal Fees	\$3,415,953	↑ \$4,335,166	\$10,269,519
Total	\$3,805,560	↑ \$5,082,440	\$12,316,649

**Revenue Category**  
Provides the name of the line item where our revenues occur.

**Arrows**  
These indicate a change in the current year over prior year. Up/green arrows indicate an increase and down/red arrows indicate a decrease over the prior period.

**Current Year**  
Revenue collected up to FM 4 in October of 2021.

**Prior Year**  
Revenue collected up to FM 4 in October of 2020.

Department of Consumer Affairs  
Expenditure Projection Report

Fiscal Month: 4  
Fiscal Year: 2021 - 2022  
Run Date: 12/09/2021

**Fiscal Month**  
Identifies the expenditures up to October 2021

**Fiscal Year**  
Identifies the current year

**Run Date**  
Identifies the date this report was pulled from QBIRT

**CY 21-22 YTD + Encumbrance**  
Provides a FM 4 total of YTD Actual and Encumbrance.

**Governor's Budget**  
Publication that the Governor presents which identifies the current year authorized expenditures.

PERSONAL SERVICES

Notes	Fiscal Code	PY 20-21 FM 4 YTD + Encumbrance	CY 21-22 FM 4 YTD + Encumbrance	Governor's Budget	Percent of Governor's Budget Spent	Projections to Year End
1	5100 PERMANENT POSITIONS	\$955,435	\$1,077,755	\$3,425,000	31%	\$3,389,367
	5100 TEMPORARY POSITIONS	\$35,155	\$45,403	\$232,000	20%	\$130,000
	5105-5108 PER DIEM, OVERTIME, & LUMP SUM	\$600	\$38,876	\$36,000	108%	\$48,476
	5150 STAFF BENEFITS	\$559,421	\$618,030	\$1,703,000	36%	\$1,812,693
	PERSONAL SERVICES	\$1,550,611	\$1,780,065	\$5,396,000	33%	\$5,380,536

OPERATING EXPENSES & EQUIPMENT

2	5301 GENERAL EXPENSE	\$23,898	\$22,392	\$32,000	70%	\$71,871
3	5302 PRINTING	\$24,766	\$69,808	\$26,000	268%	\$33,966
	5304 COMMUNICATIONS	\$4,452	\$3,384	\$15,000	23%	\$20,777

**Object Description**  
Provides the name of the line item where our expenditures occur.

**PY 20-21 YTD + Encumbrance**  
Provides a FM 4 total of YTD Actual and Encumbrance.

**Percent of Governor's Budget spent**  
Identifies the percentage spent at CY 21-22 FM 4 according to the Governor's Budget.

**Projections to Year End**  
Identifies the expenditure amount that BPELSG projects for FY 21-22.

	OPERATING EXPENSES & EQUIPMENT	\$3,239,095	\$2,474,539	\$6,831,000	36%	\$5,308,996
	OVERALL TOTALS	\$4,789,706	\$4,254,604	\$12,227,000	35%	\$10,689,532

\*Does not include additional Architecture Revolving Fund Expenses TBD

SURPLUS/(DEFICIT): 13%

**Surplus/(Deficit)**  
Identifies if we have higher revenue and lower expenses (Surplus) or higher expenses and lower revenue (Deficit). This percentage is calculated using (Governor's Budget-Projections to Year End)/ Governor's Budget.

# FINANCIAL REPORT

## FISCAL YEAR 2023-24 FISCAL MONTH 11 FINANCIAL STATEMENT

### Revenues

Total revenue is up \$213,722 over Prior Year 2021-22. Current Fiscal Year 2023-24 is a high volume year for renewals therefore we are comparing it to Prior Year 2021-22 due to it also being a high volume year for renewals.

Revenue Category	PRIOR YEAR FY 2021-22 FM 11	PRIOR YEAR FY 2022-23 FM 11	CURRENT YEAR FY 2023-24 FM 11	CURRENT YEAR FY 2023-24 PROJECTION
Delinquent Fees	\$133,365	\$152,345	\$106,119	\$138,602
Other Regulatory Fees	\$123,215	\$ 75,403	\$ 75,037	\$106,139
Other Regulatory Licenses & Permits	\$1,896,218	\$1,751,102	\$2,104,295	\$2,213,341
Other Revenue	\$27,775	\$ 111,746	\$200,190	\$16,950
Renewal Fees	\$10,098,691	\$9,003,468	\$ 10,007,345	\$10,066,124
Total	\$12,279,264	\$11,094,063	\$12,492,986	\$12,541,156

Reimbursements as of FM11 totaled \$112,824 including \$62,720 in Background Checks, \$525 in Reimbursements-Private Sectors, and \$49,579 in Cost Recovery. Background check expenses are included in the General Expense category.

**Department of Consumer Affairs  
Expenditure Projection Report**

**Fiscal Month: 11**

**Fiscal Year: 2023 - 2024**

Run Date: 6/17/2024

**PERSONAL SERVICES**

Notes	Fiscal Code	PY 22-23 FM 11 YTD + Encumbrance	CY 23-24 FM 11 YTD + Encumbrance	Governor's Budget	Percent of Governor's Budget Spent	Projections to Year End
1	5100 PERMANENT POSITIONS	\$3,150,092	\$3,217,482	\$3,809,000	84%	\$3,486,000
	5100 TEMPORARY POSITIONS	\$120,652	\$1,191	\$232,000	1%	\$2,000
	5105-5108 PER DIEM, OVERTIME, & LUMP SUM	\$20,481	\$182,473	\$36,000	507%	\$183,276
	5150 STAFF BENEFITS	\$1,909,582	\$1,939,637	\$2,031,000	96%	\$2,091,600
	<b>PERSONAL SERVICES</b>	<b>\$5,200,807</b>	<b>\$5,340,783</b>	<b>\$6,108,000</b>	<b>87%</b>	<b>\$5,762,876</b>

**OPERATING EXPENSES & EQUIPMENT**

2	5301 GENERAL EXPENSE	\$75,472	\$66,948	\$32,000	209%	\$80,000
	5302 PRINTING	\$99,920	\$165,638	\$26,000	637%	\$186,503
	5304 COMMUNICATIONS	\$12,452	\$10,740	\$15,000	72%	\$18,600
	5306 POSTAGE	\$1,219	\$32,852	\$36,000	91%	\$34,000
	5308 INSURANCE	\$65	\$86	\$0	0%	\$90
	53202-204 IN STATE TRAVEL	\$29,334	\$33,306	\$22,000	151%	\$38,850
	53206-208 OUT OF STATE TRAVEL	\$0	\$3,671	\$0	0%	\$4,500
	5322 TRAINING	\$0	\$0	\$15,000	0%	\$0
3	5324 FACILITIES*	\$496,423	\$473,810	\$377,000	126%	\$508,880
4	53402-53403 C/P SERVICES (INTERNAL)	\$585,344	\$588,179	\$1,127,000	52%	\$739,500
5	53404-53405 C/P SERVICES (EXTERNAL)	\$2,069,517	\$2,161,685	\$3,639,000	59%	\$2,625,338
6	5342 DEPARTMENT PRORATA	\$1,968,000	\$1,997,561	\$2,078,000	96%	\$2,078,000
7	5342 DEPARTMENTAL SERVICES	\$13,391	\$13,462	\$27,000	50%	\$27,000
	5344 CONSOLIDATED DATA CENTERS	\$26,372	\$95	\$22,000	0%	\$22,000
	5346 INFORMATION TECHNOLOGY	\$39,759	\$208,721	\$94,000	222%	\$230,499
	5362-5368 EQUIPMENT	\$99,833	\$37,654	\$0	0%	\$48,826
	5390 OTHER ITEMS OF EXPENSE	\$12	\$0	\$3,000	0%	\$20
	54 SPECIAL ITEMS OF EXPENSE	\$659	\$1,498	\$0	0%	\$2,000
	<b>OPERATING EXPENSES &amp; EQUIPMENT</b>	<b>\$5,517,770</b>	<b>\$5,795,906</b>	<b>\$7,513,000</b>	<b>77%</b>	<b>\$6,644,607</b>
	<b>TOTALS</b>	<b>\$10,718,577</b>	<b>\$11,136,689</b>	<b>\$13,621,000</b>	<b>82%</b>	<b>\$12,407,483</b>
8	4840-4850 REIMBURSEMENTS					\$108,000
	<b>OVERALL TOTALS &amp; REIMBURSEMENTS</b>					<b>\$12,299,483</b>

# 0770 - Professional Engineer's, Land Surveyor's and Geologist's Fund

## Analysis of Fund Condition

Prepared 7/23/2024

(Dollars in Thousands)

PY 22-23 Actuals & CY 23-24 FM 11	Actual 2022-23	CY 2023-24	BY 2024-25	BY+1 2025-26
<b>BEGINNING BALANCE</b>	\$ 3,405	\$ 2,481	\$ 2,129	\$ -261
Prior Year Adjustment	\$ 285	\$ -	\$ -	\$ -
Adjusted Beginning Balance	\$ 3,690	\$ 2,481	\$ 2,129	\$ -261
<b>REVENUES, TRANSFERS AND OTHER ADJUSTMENTS</b>				
Revenues:				
4121200 Delinquent fees	\$ 169	\$ 139	\$ 141	\$ 139
4127400 Renewal fees	\$ 9,047	\$ 10,066	\$ 9,303	\$ 10,066
4129200 Other regulatory fees	\$ 81	\$ 106	\$ 94	\$ 106
4129400 Other regulatory licenses and permits	\$ 1,940	\$ 2,213	\$ 2,170	\$ 2,213
4163000 Income from surplus money investments	\$ 139	\$ 197	\$ 193	\$ 180
4171400 Escheat of unclaimed checks and warrants	\$ 18	\$ 17	\$ 17	\$ 17
4172500 Miscellaneous revenues	\$ 0	\$ 0	\$ 0	\$ 0
Totals, Revenues	\$ 11,394	\$ 12,738	\$ 11,918	\$ 12,722
Operating Transfers to General Fund per EO E 21/22 - 276 Revised (AB 84)	\$ -	\$ -	\$ -	\$ -
Totals, Transfers and Other Adjustments	\$ 11,394	\$ 12,738	\$ 11,918	\$ 12,722
Totals, Revenues, Transfers and Other Adjustments	\$ 15,084	\$ 15,219	\$ 14,047	\$ 12,461
<b>EXPENDITURES</b>				
Disbursements:				
1111 Department of Consumer Affairs (State Operations)	\$ 11,545	\$ 12,299	\$ 13,672	\$ 14,082
9892 Supplemental Pension Payments (State Operations)	\$ 209	\$ 209	\$ 157	\$ 0
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	\$ 849	\$ 582	\$ 479	\$ 479
Less funding provided by General Fund (State Operations)	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ 12,603	\$ 13,090	\$ 14,308	\$ 14,561
<b>FUND BALANCE</b>				
Reserve for economic uncertainties	\$ 2,481	\$ 2,129	\$ -261	\$ -2,100
<b>Months in Reserve</b>	2.3	1.8	-0.2	-1.7

### NOTES:

- A. ASSUMES WORKLOAD AND REVENUE PROJECTIONS ARE REALIZED IN CY AND BY.
- B. ASSUMES APPROPRIATION GROWTH OF 3% PER YEAR BEGINNING IN BY+1



## Expenditure Report Notes

- 1 Salary & Wages (Staff)** - The projected expenditures for salaries and wages is due to the Board being almost fully staffed, and includes merit salary adjustments and the bargaining unit agreements effective July 1, 2023.
- 2 General Expenses** - Includes Membership and Subscription Fees, Freight and Drayage, Office Equipment - Maintenance, Office Supplies, and DOJ and FBI fees for background checks which are reimbursed. Scheduled background check reimbursements through FM 11 are at \$62,720.
- 3 Facilities Operations** - Includes facilities maintenance, facilities operations, janitorial Services, rent and leases, exam rental sites, and security.
- 4 C&P Services Interdepartmental** - Includes all contract services with other state agencies for examination services (Dept. of Conservation and Water Resources). This line item also now includes enforcement expenses for the Attorney General and the Office of Administrative Hearings.
- 5 C&P Services External** - Includes all external contracts (examination development, expert consultant agreements, and credit card processing). This includes an updated total full encumbrance amount of \$420k in costs associated with the business modernization project with \$240k remaining in this line item and \$180k being reallocated to the 5346 Information Technology line item.
- 6 DCA Pro Rata** - Includes distributed costs of programmatic and administrative services from DCA.
- 7 Departmental Services (Interagency Services)** - Includes pay-per-services billed through the Department of General Services.
- 8 Reimbursements** - Includes Reimbursements-Private Sectors (contracted with Guam to provide California Civil Seismic Principles Exams on the same dates the exam is administered in California by the Guam Registration Board at the rate of \$175 per examination that are administered to applicants), Fingerprint Reports, Cost Recovery, and US DOI Civil Case.

*State of California*

Board for Professional Engineers,  
Land Surveyors, and Geologists

*2024 Fee Analysis*

*Prepared August 8, 2024*

## Executive Summary

The Board is charged with safeguarding life, health, property, and public welfare by regulating the practices of professional engineering, land surveying, geology, and geophysics. The Board provides this public service by qualifying and licensing individuals, establishing regulations, enforcing laws and regulations, and providing information so that consumers can make informed decisions.<sup>1</sup>

The Board operates as a Special Fund and does not receive General Fund support. Board revenues come from fees set by statute. The major sources of revenue are from licensing and renewal fees. The Board's budget authority is the Professional Engineer's, Land Surveyor's, and Geologist's Fund (0770). The Fund is appropriated from the Governor under the Business, Consumer Services and Housing Agency to the Department of Consumer Affairs (DCA). The Board's Fund is not a "continuously appropriated fund." The Board operates within the budget established by the legislature and does not exceed the authorized expense threshold.

The Fund Beginning Balance at the start of FY 2023/24 was \$2,481 (dollars in thousands) with no prior year adjustments. Revenues are projected at \$12,738 which gives the Board total resources to fund operations of \$15,219. The Board's operating expenses are projected at \$12,299 (including \$1,998 in DCA Pro Rata), plus \$209 in Supplemental Pension Payments and \$582 in Statewide General Administrative Expenses (Statewide Operations Pro Rata). The total FY 2023/24 outlay is projected at \$13,090 which is expected to decrease the fund reserve by \$352, leaving a reserve balance of \$2,129, the equivalent of 1.8 months of expenses. This is below the optimal level of three months in reserve. Board projections for revenues and expenses include FY 2023/24 actual results through fiscal month 11 (May 2024), full year results are not yet available.

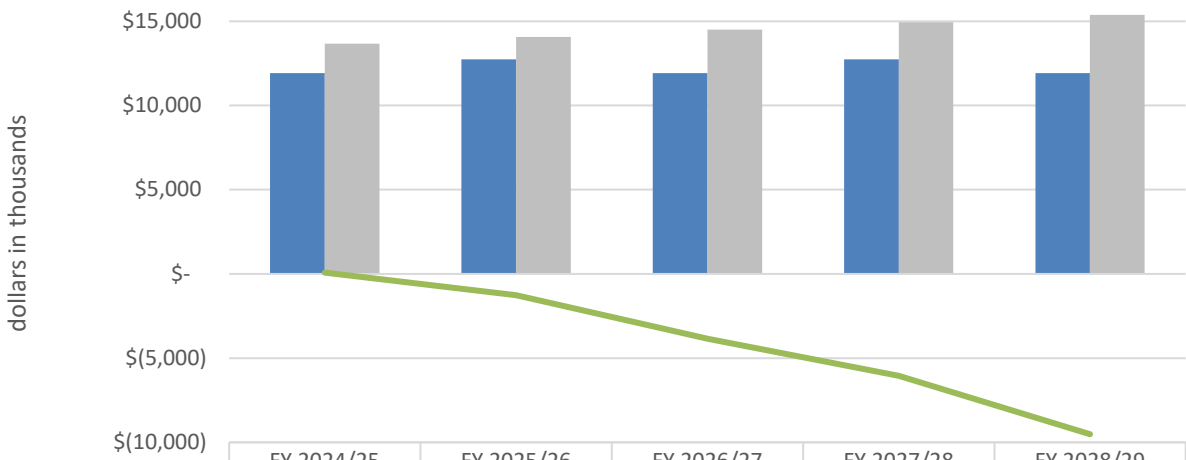
This report examines historical, current, and projected revenues, expenditures, and fund condition and the current fee structure. Board staff are making recommendations to correct the expected structural imbalance of the fund.

## Summary of Findings and Recommendations

The total revenue projected for the next five fiscal year period is \$61,224. Total expense projections for the same period are \$72,570. This creates a structural imbalance (shortage) to the fund of \$11,346. Board staff recommend a fee increase to balance the fund and maintain appropriate fund reserves effective no later than July 1, 2026. Adopting the proposed fee increases in Scenario D will increase the revenue projections for the next five-year period to \$72,536. Historically, the Board has desired to keep initial application and examination fees as low as feasible and subsidize these expenses with revenue from renewal fees. The fee increase proposal in Scenario D is most closely aligned to previous fee increase actions taken by the Board, eliminates the structural imbalance (shortage) and rebuilds the fund reserve. Barring additional unforeseen expenses, the fund reserve is projected to be \$1,795 at the end of the five-year period (roughly 1.4 months in reserve).

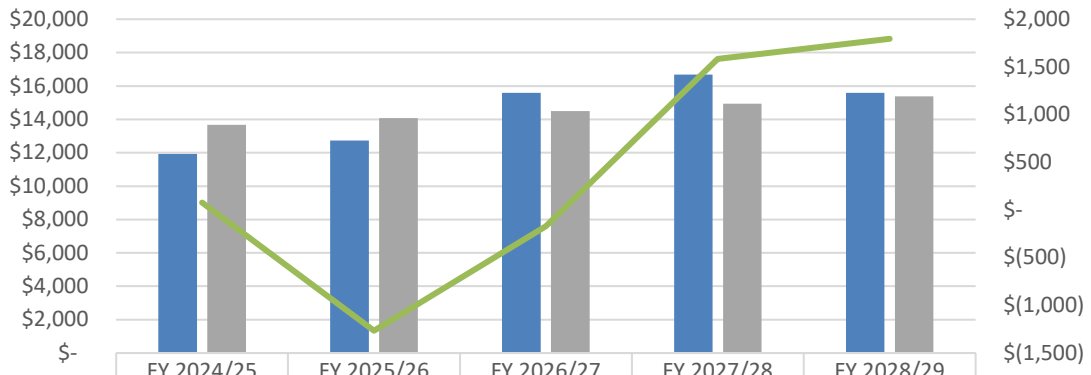
<sup>1</sup> State of California Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf), p12

**REVENUES, EXPENDITURES AND FUND RESERVES  
FY 2024/25 THROUGH FY 2028/29**



	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
<span style="color: blue;">■</span> Total Revenue	\$11,918	\$12,735	\$11,918	\$12,735	\$11,918
<span style="color: grey;">■</span> Total Expenses	\$13,669	\$14,079	\$14,501	\$14,936	\$15,385
<span style="color: green;">—</span> Fund Reserves	\$78	\$(1,266)	\$(3,849)	\$(6,050)	\$(9,517)

**REVENUES, EXPENDITURES AND FUND RESERVES  
FY 2024/25 THROUGH FY 2028/29  
with Proposed Fee Increase (Scenario D)**



	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29
<span style="color: blue;">■</span> Total Revenue	\$11,918	\$12,735	\$15,596	\$16,691	\$15,596
<span style="color: grey;">■</span> Total Expenses	\$13,669	\$14,079	\$14,501	\$14,936	\$15,385
<span style="color: green;">—</span> Fund Reserves	\$78	\$(1,266)	\$(171)	\$1,584	\$1,795

■ Total Revenue   
 ■ Total Expenses   
 — Fund Reserves

The current and proposed rates can be found in Current and Proposed Fee Structure.

## Background, Purpose, Objectives and Scope

### Background

The mission of the Board is to protect the public's safety and property by promoting standards for competence and integrity through licensing and regulating the Board's professions.<sup>2</sup>

The regulation of engineers, land surveyors, geologists, and geophysicists is intended to protect the public from incompetent, negligent, and/or unscrupulous individuals who would offer such services without having demonstrated they are properly qualified. The public is assured that licensed engineers, licensed land surveyors, licensed geologists, and licensed geophysicists have met state-approved education, experience, and examination standards established by the Board. The Board currently regulates over 185k licensees.

Engineers, land surveyors, geologists, and geophysicists make professional judgments, which have major financial, health, safety, and other significant consequences on a daily basis. The highways, bridges, dams, waterways, buildings, and electrical and mechanical systems in buildings are all products of engineering. Consequences of poorly designed bridges or buildings include deaths and injuries as well as financial hardship to the property owner ultimately responsible for damages and reconstruction. Land surveyors help to define property boundaries. A miscalculation of property boundaries in a residential or commercial neighborhood could cause a property owner financial loss if the property is sold or improvements were constructed based on reliance upon an incorrect boundary. A structure could be located on another individual's property, with concomitant major financial losses and inability to convey title. Geologists and geophysicists analyze the rock, soil, and groundwater resources in California and help to determine if active landslides, earthquake faults, or underground water supplies impact orderly and safe development or if they impact the health, safety or welfare of the public.<sup>3</sup>

### License Types Regulated by the Board

The licenses or certifications currently regulated by the Board are comprised of three primary categories: Practice Acts; Title Acts; and Title Authorities. Practice Act licenses indicate that both the actual practice and the use of the title are regulated. Title Act licenses indicate that only the use of the title is regulated, and the actual practice is not. Title Authorities represent licenses that authorize the use of specific titles by individuals who already hold certain Practice Act licenses. For example, Geotechnical and Structural Engineers must be licensed as a Civil Engineer first as a prerequisite for the title authority, while Certified Engineering Geologists and Certified Hydrogeologists must be licensed as a Professional Geologist first. The following table characterizes these primary categories:

<b>Practice Acts</b>	<b>Title Acts</b>	<b>Title Authorities</b>
Civil Engineer Electrical Engineer Land Surveyor	Agricultural Engineer Chemical Engineer Control System Engineer Fire Protection Engineer Industrial Engineer	Geotechnical Engineer Structural Engineer Certified Engineering Geologist Certified Hydrogeologist

<sup>2</sup> Board for Professional Engineers, Land Surveyors, and Geologists Strategic Plan 2022 – 2027, November 6, 2023 [https://www.bpelsg.ca.gov/pubs/2022-2027\\_bpelsg\\_strategic\\_plan.pdf](https://www.bpelsg.ca.gov/pubs/2022-2027_bpelsg_strategic_plan.pdf), p9

<sup>3</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report. Pgs. 12-13 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_background\\_paper.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_background_paper.pdf)

Practice Acts	Title Acts	Title Authorities
Mechanical Engineer Professional Geologist Professional Geophysicist	Metallurgical Engineer Nuclear Engineer Petroleum Engineer Traffic Engineer	

In addition, the Board issues certifications for Engineer-In-Training (EIT), Geologist-In-Training (GIT), and Land Surveyor-In-Training (LSIT), which recognize individuals who have obtained a specific level of engineering, geology, or land surveying education and/or work experience as the entry-level step towards eventual licensure as a professional engineer, geologist, or land surveyor.<sup>4</sup> In-Training certificates do not expire and are not subject to renewal fees.

**Industry Outlook**

The U.S. Bureau of Labor Statistics (BLS) Occupational Outlook Handbook (OOH) projects changes in levels and percentages of employment, including narrative discussions in factors that can affect changes. For the professions regulated by the Board, the employment outlook is projected to grow slightly faster than average for all occupations, at rates between 5-6% per year from 2022 to 2032.<sup>5</sup>

The complexity of engineering, land surveying, geology, and geophysics projects necessitates a very high degree of technical knowledge and skill which is typically only acquired after many years of experience. The vast majority of licensed engineers hold a college degree in engineering. Land surveyors make decisions and form opinions based upon interpretation of legal documents, field evidence, and the use of technically advanced instrumentation. Licensed geologists and geophysicists often obtain postsecondary degrees in earth sciences and devote many years of experience studying and interpreting data related to rock, soils, earth dynamics, and groundwater and the effect those have on public improvements.<sup>6</sup>

*Science and Engineering Indicators 2024: The State of U.S. Science and Engineering* finds the number of certificates and degrees awarded in S&E has increased over the past 10 years, however, “National assessments show a sharp decline in elementary and secondary student mathematics performance since the COVID-19 pandemic. From 2019 to 2022, average mathematics scores of fourth and eighth grade students dropped to levels last measured approximately 20 years ago”. The report also finds, “Enrollment of international science and engineering (S&E) graduate students at U.S. institutions has rapidly increased from approximately 200,000 in 2020, a pandemic-era low point, to nearly 310,000 in 2022. International students on temporary visas accounted for about a third of S&E master’s and doctoral degree recipients at U.S. institutions in 2021.”<sup>7</sup>

<sup>4</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report. Pgs. 12-13, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf)

<sup>5</sup> U.S. BUREAU OF LABOR STATISTICS Office of Occupational Statistics and Employment Projections, <https://www.bls.gov/ooh/> July 26, 2024.

<sup>6</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report. Pgs. 12-13 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_background\\_paper.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_background_paper.pdf)

<sup>7</sup> National Science Board, National Science Foundation. 2024. *Science and Engineering Indicators 2024: The State of U.S. Science and Engineering*. NSB-2024-3. Alexandria, VA. Available at <https://nces.gov/pubs/nsb20243>.

It is unclear the impact that changes in the number of students pursuing educations in science and engineering (S&E) and the numbers of graduates S&E will have on the Board’s initial application trends.

26% of active licenses are held by licensees age 65+ (the average age for this group is 73 years old). The average age of a licensee over the age of 65, at the time the license expired is 74 years old. As licensees reach age 74 the Board anticipates an increase in the rate at which licenses will either choose to allow their license to lapse or officially change to retired status. The current value of the renewal revenue for licenses held by active licensees age 65+ is \$4,654 or 26% of the Board’s overall license renewal revenue.

Age Demographics for Active Renewable and Expired Licenses

Age Demographic	Active Renewable Licensees	% of Total Active Licensees	Average Age of Active Licensees	Expired Licenses	% of Expired Licenses	Average Age at Expiration
65 +	25,858	26%	73	36,615	56%	74
55 - 64	21,095	21%	60	16,694	26%	61
45 - 54	19,962	20%	50	6,521	10%	50
35 - 44	21,357	22%	40	3,945	6%	40
Under 35	10,305	11%	31	1,392	2%	31
Total	98,577		54	65,167		65

Source: QBIRT Report, CAS Licenses All Status run 6/11/2024 (Excludes In-Training Certificates)

Over the past five fiscal years there has been a net increase in the number of licenses issued. This net increase is subject to a downward trend if there is an increase in the rate licenses expire which will have a negative impact on the Board’s renewal revenues. The Board is also anticipating an impact on the volume of license renewals upon implementation of the online renewal assessment as required in B&P Code §§ 6795.2, 8801.5 and 7881.5 (anticipated in 2025).<sup>8</sup>

Rate of Change in Licensee Population

Fiscal Year	New Licenses Issued	Expired Licenses	Net Change
2023/24	2,486	854	1,666
2022/23	2,868	898	1,970
2021/22	3,385	970	2,415
2020/21	2,254	875	1,379
2019/20	2,370	790	1,580
Total	13,357	4,347	9,010

Source: QBIRT Report, CAS Licenses All Status run 6/11/2024 (Excludes In-Training Certificates)

Purpose

The purpose of this report is to project the Board's revenue and operating costs for the next five fiscal years to determine if the current fee structure is adequate to fund operations and maintain reserves. If

<sup>8</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report. Pg 87, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf)

the projected reserve falls below guidelines, the report will include recommendations for changing the fee structure to maintain adequate fund reserves to allow the Board to continue to fulfil its consumer protection mission.

## Objectives

1. Examine historical, current, and projected revenues, expenditures, and fund condition.
2. Assess and correlate the workload for Board staff to activities performed.
3. Analyze all fees and other revenues collected by the Board and related expenditures to determine if fee levels are sufficient for the recovery of the actual costs of conducting its programs.
4. Recommend a fee structure to cover all anticipated costs and ensure a sufficient fund reserve.

## Scope

The scope of this effort is limited to analyzing historical actual revenue, expenditures and fund conditions and projecting revenue, expenditures, and fund condition for the next five fiscal years based on the current fee structure and the FY 2024/25 Budget. This effort does not include proposals for fee increases beyond the Board's current statutory limits and is limited to proposing fee increases allowable through promulgating regulations.

## Methodology

This analysis uses the Budget Act of 2024 as a baseline and examines actual expenditure and revenue data from prior fiscal periods. These revenue and expenditure baselines are used to project future budgets beginning in FY 2025/26. Future expenditure projections include typical and standard employee compensation and retirement rate benefit adjustments.

### Data Analysis:

- Fiscal data was collected and aggregated.
- Staff is identified by Program Unit, Job Classification, titles, names and tasks and activities recorded on individual duty statements.
- Application and licensing transaction volumes were collected and aggregated.
- In-direct costs were allocated across business units.
- Direct workload costs were calculated by business unit.

## Revenue Data, Historical, Current and Projected

The Board is self-funded from fees paid by applicants and licensees. Revenue from licensing renewals makes up 80% of the Board's total revenue.

Fees are established by statute in the Business and Professions Code. Fee authority for Initial Applications fees can be found in Business and Professions Code (BPC) §§ 6799(a)(1), 7887(a), and 8805(a) and California Code of Regulations (CCR), title 16, sections 407(a)(1-5) and 3005(a)(1-3). Current fee amounts for In-Training Certificates is \$75.00 and the statutory limit is \$100. Current fee amounts for all other licenses is \$175.00 and the statutory limit is \$400.00. Historically, the Board has kept application fees low. High application fees can be a barrier to entry to the professions regulated by the



Board. Expenses related to initial application review are subsidized by revenue from license renewal fees.

Fee authority for State Specific Examination fees can be found in BPC §§ 6799(a)(2), 7887(e) and (f), and 8805(b) and 16 CCR 407(b)(1-5) and 3005(b)(1-3). Fees can be no greater than actual cost of the development and administration. The Board administers nine State Specific Examinations and the fee for each is \$175.00 for initial and re-examinations. The Board has kept the examination fees low. High fees can be barriers to entry to the professions regulated by the Board. Examination development expenses are subsidized by revenue from license renewal fees.

Fee authority for Biennial Renewal fees can be found in BPC §§ 6799(a)(3), 7887(b) and (c), and 8805(c) and 16 CCR 407(c) and 3005(d). These sections describe license renewal periods and allow licenses to renew at any time within five years after the expiration date by paying all accrued and unpaid renewal fees. Licenses that are not renewed within the five years must be canceled. Canceled licenses cannot be renewed, restored, reinstated, or reissued and are not subject to renewal fees. The current biennial renewal fee is \$180.00, and the statutory limit is \$400.00.

Fee authority for Retired License fees can be found in BPC §§ 6799(a)(4), and 7887(g), and 8805(d) and 16 CCR 407(d) and 3005(g). Licenses that are not suspended, revoked, or otherwise disciplined can be retired at any time. Retired licenses are not subject to renewal fees. The current Retired License fee is \$75.00. Fees are limited to not more than 50% of the license renewal fee in effect at the time.

Fee authority for Delinquent Biennial Renewal fees can be found in BPC §§ 6799(a)(5), 7887(d), and 8805(e) and 16 CCR 407(g) and 3005(e). Fees are limited to not more than 50% of the renewal fee in effect on the date of reinstatement. Delinquency fees are calculated based on the renewal period. Licenses expiring prior to January 1, 2021, are charged a \$57.50 delinquency fee and licenses expiring after January 1, 2021, are charged \$90.00. Licenses cannot be renewed after the five-year renewal period has lapsed.

In addition to the above listed fees, the Board collects fees for Department of Justice (DOJ) background checks and cost recovery. The DOJ fees are passed through to DOJ and are reflected as reimbursements and general operating expenses.

The Board also reports investment income on surplus money investments which is interest paid on fund reserves and is subject to fluctuations in the total value of the fund reserve and current interest rates.

Cost recovery is ordered during disciplinary hearings and is also reflected as reimbursements and operating expenses.

The Board may issue administrative citations to both licensed and unlicensed individuals. The citations may contain an order of abatement or an order to pay an administrative fine to the Board in the maximum amount of \$5,000 per violation or both. Citations may be issued to unlicensed individuals when the investigation reveals that the unlicensed person violated the Board's laws by committing acts that require a license, such as advertising/offering/contracting for and performing professional services.<sup>9</sup>

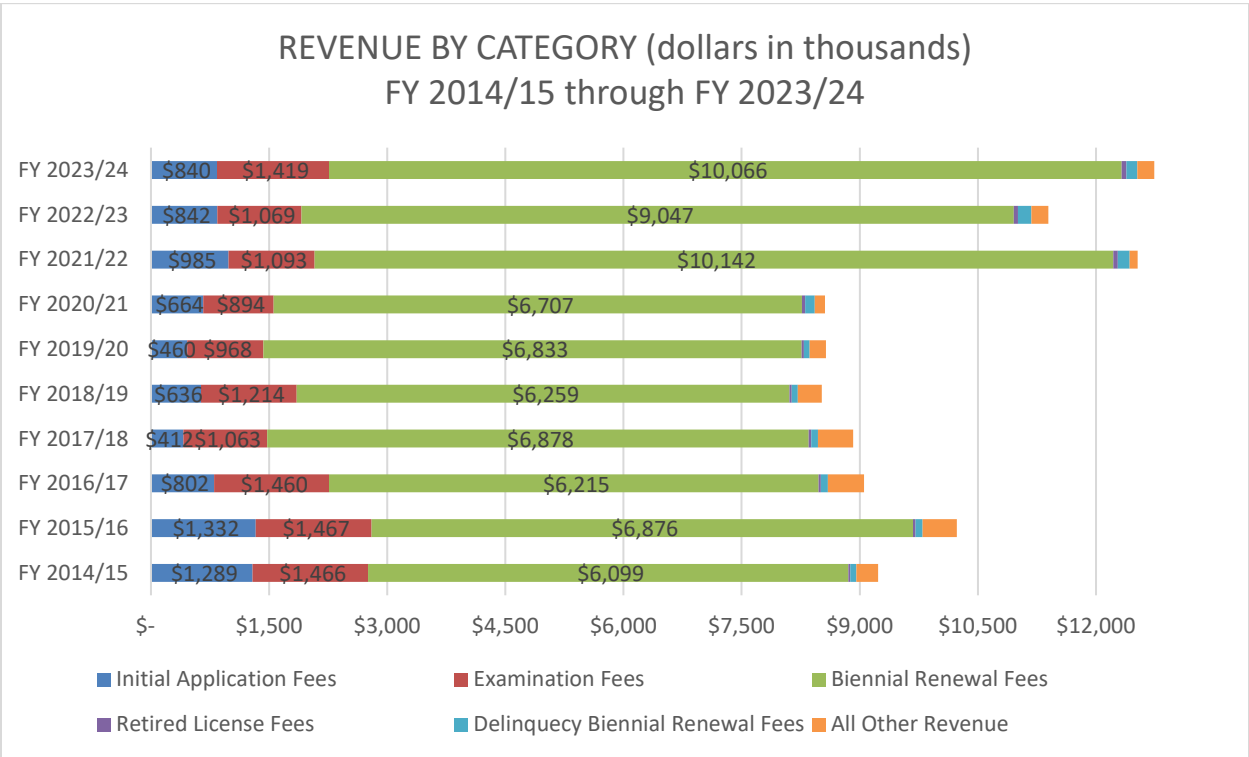
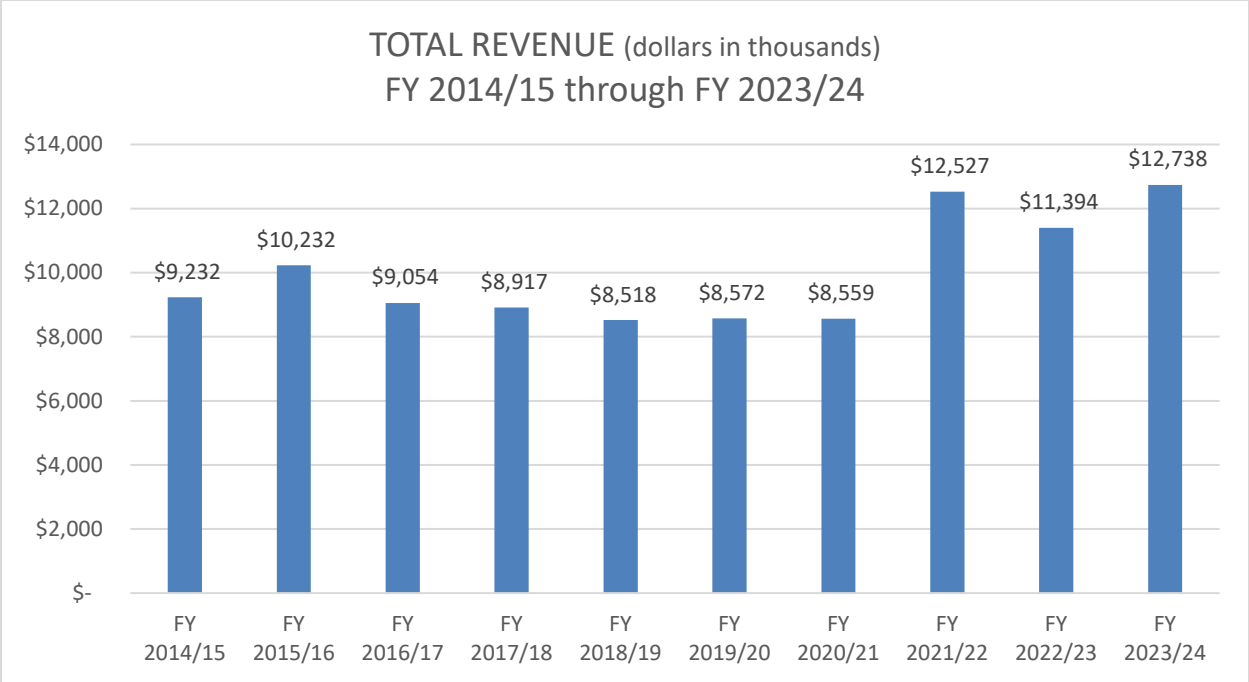
<sup>9</sup> BPELSG 2023-2024 Sunset Review Report, p90 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf) June 10, 2024

Currently, there is a high outstanding balance of fines owed to the Board. This circumstance usually exists when a fine is assessed against an unlicensed person, and the Board has had, until recently, limited recourse to collect the fines. Most licensees pay the fines because failure to do so could result in their not being able to renew their licenses or in formal disciplinary action being taken against their licenses for failure to comply with the citation orders. In many cases, the Board is unable to locate the unlicensed person to pursue collection, and the Board was only able to collect unpaid fines through the use of the Franchise Tax Board (FTB) refund intercept program through tax refunds, lottery winnings, and unclaimed property. However, the occurrences when the Board receives funds are rare. There are 138 outstanding accounts that have been referred to FTB, with an outstanding balance to be collected of \$525,500. There have been 24 instances of receiving funds, totally approximately \$60,000. In addition to the relative lack of success of the FTB program in recovering fines, staff time expended is approximately two hours per account to process, including writing letters to the subject and referring the matter to DOI for the collection of personal information required to refer to FTB. It is noted that accounts can only be referred to FTB in the event a Social Security Number is available. This is possible only if the person has been an applicant or if a person's identity is unique enough for it to be ascertained by DOI staff. In FY2022/23, a Department-Wide account with a collection agency was created to allow boards to pursue another avenue to collect outstanding fines. This process is still in its infancy, with trainings planned in the future to assist Board Staff in sending fines owed by unlicensed individuals to the collection agency for processing.<sup>10</sup> Board staff are currently evaluating the impact this will have on the Board's ability to collect outstanding fines and as such the revenue projections to not include additional revenue for additional fines or the collection of outstanding fines. The value of fines collected does not increase the Board's delegated spending authority and is added to the fund reserves.

### Historical

As a result of the fee increase effective January 1, 2021, the Board recognized almost \$4m (32%) increase in revenue for FY 2021/22 over FY 2020/21. In addition to the fee increase, the Board also reported an 18% increase in initial applications for that period. The rate of initial applications received has since returned to a more normal or baseline rate.

<sup>10</sup> BPELSG 2023-2024 Sunset Review Report, Pgs 90-91 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf)



Revenue from renewal fees has contributed to between 66 – 81% of the Board’s revenue since FY 2014/15 while renewal transaction volumes have largely remained flat.

In November 2021, the Board launched Release 3.5 of its BPELSG Connect online platform, which featured the addition of submittal and processing for both Civil Engineer and Land Surveyor license applications, both of which require an additional state exam component, and refinements to existing

application functionality. The Board received a record number of initial Civil Engineer applications during the latter half of FY 2021/22 and into FY 2022/23. In the 29 months since the BPELSG Connect implementation for Civil Engineer initial applications, the Board recorded a 71% increase in application volumes over the prior 29 months. The average volume of initial applications received each month prior to BPELSG Connect launch was 122 per month which has increased to 172 per month in the 29 months following launch. This average has dropped to 165 applications received in FY 2023/24.

### Current

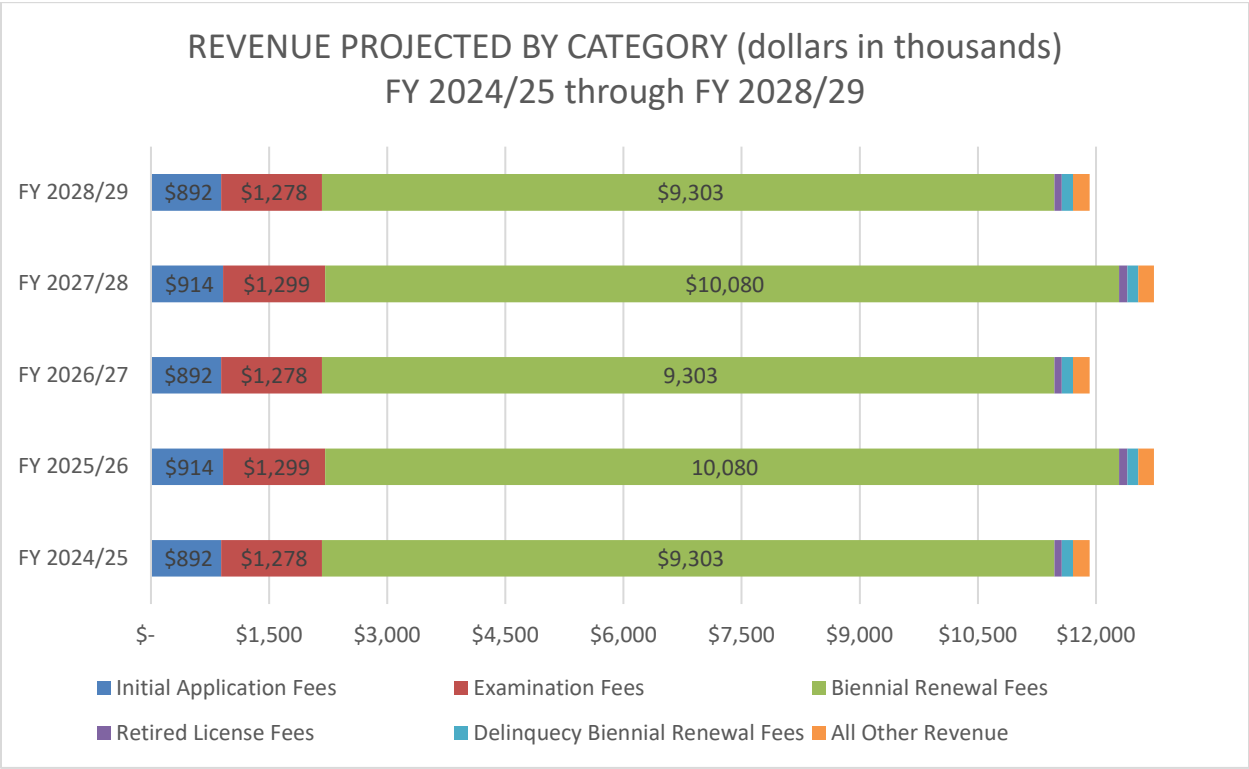
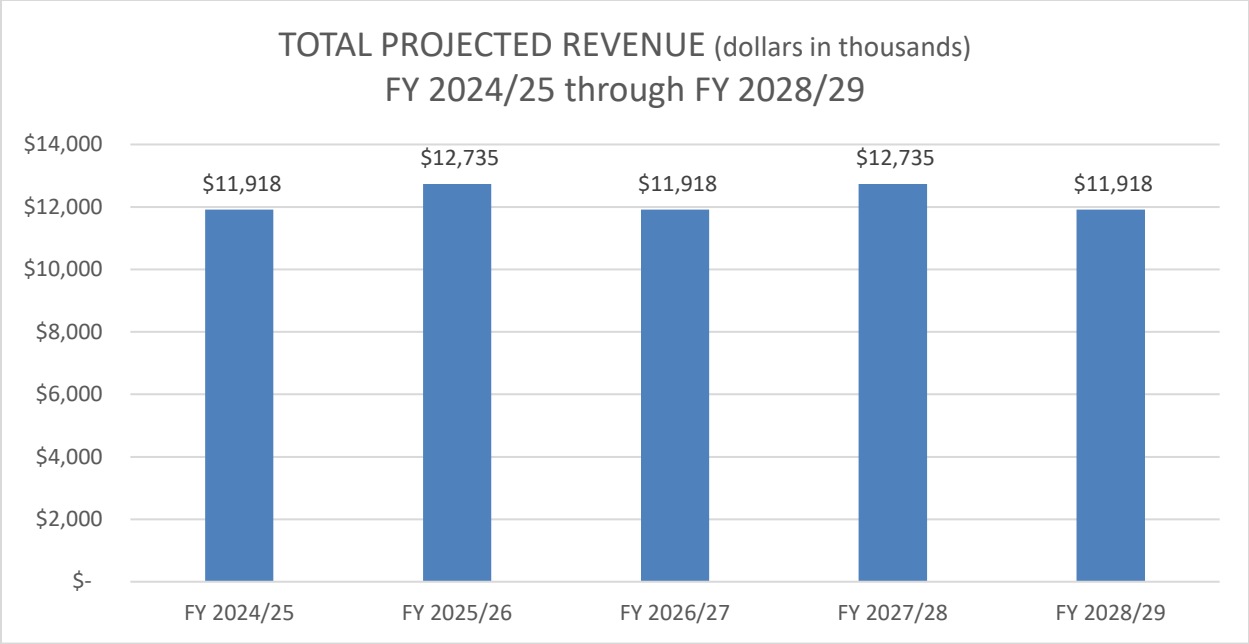
The FY 2023/24 revenues are shown below with the FM 1 projections:

Revenue Category	Prior FY 2021/22 Actual	Current Year FY 2023/24 Projected	FM 1 FY 2023/24 Projected
Delinquent Fees	\$149	\$139	\$139
Other Regulatory Fees	\$131	\$106	\$106
Other Regulatory Licenses & Permits	\$2,064	\$2,213	\$2,213
Other Revenue	\$41	\$214	\$16
Renewal Fees	\$10,142	\$10,066	\$10,066
Total	\$12,527	\$12,738	\$12,541

### Projected

Revenue projections are flat for the next five fiscal years as renewal transaction volumes have been flat and initial application volumes have evened out after recent spikes. The total projected Board revenues for the next five fiscal years is expected to be \$61,224.

The Board expects the rate of licenses expiring to increase in the next five fiscal years as the cohort of licensees aged 65 and over approaches the age of 74 (the average age for a licensee over 65 years old at the expiration date). This could represent a decrease in revenue over the five-year period. The projected renewal revenue for licensees aged 65 and older is \$4,654. Currently the Board does not have enough information to project a rate of change in the licensee population and has used flat volumes at the current fees for projections.



### Expenditure Data, Historical, Current and Projected

The Board’s budget authority is the Professional Engineer’s, Land Surveyor’s, and Geologist’s Fund (0770). The Fund is appropriated from the Governor under the Business, Consumer Services and Housing Agency to DCA. The Board’s Fund is not considered to be a “continuously appropriated fund.”

There are three main categories of expenditures: Personnel Services, Operating Expenses and Pro Rata (Department of Consumer Affairs and Statewide Operations). Wages and salaries are subject to executive orders, union contract negotiations and position vacancies. See Current Expenditures for a discussion of Board Operating Expenses.

DCA charges pro rata to recover its costs for centralized administrative services provided to the boards and bureaus and distributes costs based on either an authorized position count or usage. DCA publishes an Annual Department of Consumer Affairs Distributed Costs Report which provides an accounting of the pro rata calculations of expenses. DCA pro rata appears in the Board's expenses and expense projections published with the Board's meeting materials.

Statewide general administrative costs (indirect costs incurred by central service agencies) are recovered from special funds pursuant to Government Code sections 11010, and 11270 through 11275. The Pro Rata process apportions the costs of providing central administrative services to all state departments that benefit from the services. This apportioned amount is further allocated to each state department's funding sources based on the percentage of total expenditures in each fund.<sup>11</sup> Statewide costs are reflected on the Analysis of Fund Condition published with the Board's meeting materials.

### Historical

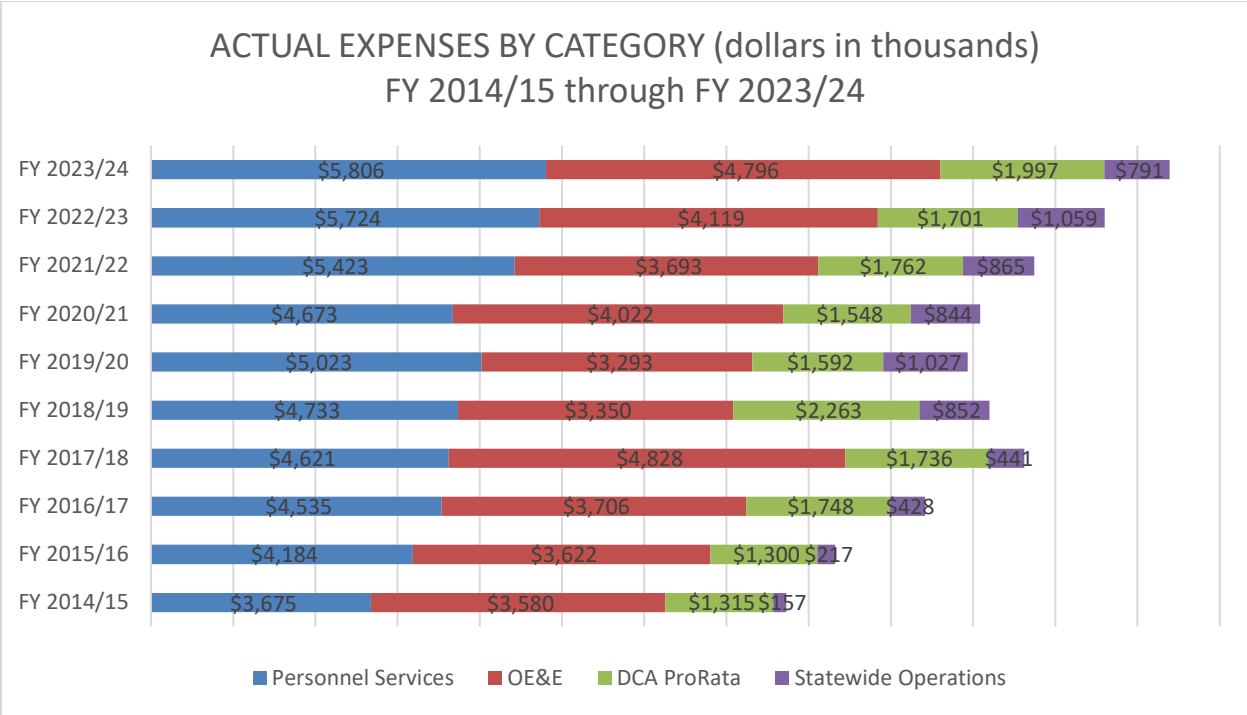
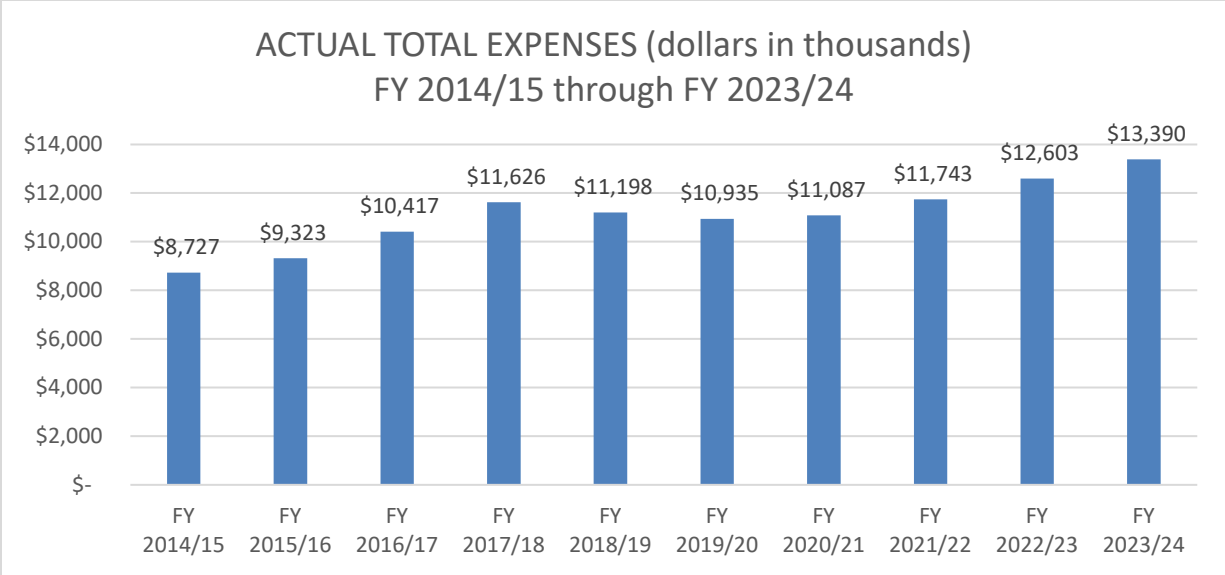
Effective July 1, 2020, in response to the economic crisis caused by the COVID-19 pandemic, the Furlough 2020 Program (Furlough 2020) was implemented. As a result of bargaining some Bargaining Units (BU) were placed in the Personal Leave Program (PLP 2020) effective the July 2020 pay period. The remaining BU's agreed to PLP 2020 effective with the August 2020 pay period. Full-time employees continued to work their assigned work schedules and had a 9% reduction in pay in exchange for 16 hours of leave credits. The Furlough 2020 Program expired July 31, 2020 and the Personal Leave Program (PLP 2020) ended effective July 1, 2021. The Board reported a 7% decrease in Personnel Services in FY 2020/21 and a 14% increase in FY 2021/22. General Service Increases (GSI) were effective in FY 2022/23 and resulted in a 5% increase in Personnel Services.

Inflation began increasing sharply in 2020, peaking in June 2022 which has had an impact on expenses. Expenses increased by 6% over the prior period in FY 2021/22, by 7% in FY 2022/23 and are projected to increase by 6% for FY 2023/24.

The Board has been using its reserves to fund its Business Modernization efforts. Since FY 2019-20, the Board has spent \$3,313 to implement its licensing and enforcement system, BPELSG Connect.<sup>12</sup>

<sup>11</sup> <https://dof.ca.gov/accounting/accounting-statewide-cost-allocation/pro-rata-overview/> , May 22, 2024

<sup>12</sup> RESPONSE TO THE BACKGROUND PAPER FOR The California Board for Professional Engineers, Land Surveyors, and Geologists Submitted to the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development April 2024 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_background\\_paper\\_response.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_background_paper_response.pdf) p2, May 31, 2024



**Current**

Inflation began increasing sharply in 2020, peaking in June 2022 which has had an impact on expenses, most dramatically in FY 2022/23 and FY 2023/24. The Federal Reserve is expected to maintain tight monetary policy through the middle of 2024 and inflation is expected to slow to 2-3% beginning 2025.

Inflation slowed sharply from its peak of 9.1 percent for the U.S. and 8.3 percent for California in June 2022 but has since hovered above 3 percent for both, more than a full percentage point higher than the Federal Reserve’s target rate of 2 percent. Shelter inflation, the largest component of services, generally lags other components and has declined slower than projected. It peaked at 8.2 percent in March 2023

in the U.S. and stood at 5.7 percent in March 2024. The slower decline in shelter prices has kept overall inflation for the U.S. and California elevated.<sup>13</sup>

Personnel Services including Salaries, Wages and Benefits represents the largest expense category, typically between 40-50% of the Board's total expenses. Wages and Salaries account for 28% of total expenses and Staff benefits account for 16%.

Consulting and Professional Services (External) expenses account for 18% of the Board's total expenses. The largest expenses in this category relate to Examination Development (third party vendor at 11% total expenses and subject matter experts representing 4% of total expenses) and Credit Card transaction fees (\$200 representing less than 2% of total expenses). Enforcement related costs in this category account for \$158 or 1% of total expenses.

With the implementation of BPELSG Connect, the Board is reporting an increase in online transactions resulting in credit card transaction fees. The costs of processing a license renewal by credit card has a fee of approximately 2.5% of the total dollar value of each transaction. At the current \$180.00 fee for license renewal, the average transaction processing fee is \$4.50, which is approximately 50% less when compared to the costs which are incurred by the Board by manually processing a license renewal payment by all other payment options other than by credit card through the online process. The online participation rate for license renewals in FY 2023/24 is 90%. Furthermore, from the period Fiscal Year (FY) 2018/19 through FY 2022/23, credit card processing fees accounted for \$589 or 1%, of the Board's overall expenses<sup>14</sup>.

DCA Pro Rata accounts for approximately 17% of the Board's expenditures. DCA publishes annual reports on centralized costs distributed to Boards outlining the pro rata calculation for administrative expenses. The 2023 report allocated \$2,001 to the Board. <sup>15</sup>Actual DCA Pro Rata expenses for the current year are \$1,997. On June 25, 2024 DCA published Distributed Costs for the 2024 Budget Act and allocates \$2,101 (15% of total expenses) in expenses to the Board for FY 2024/25.<sup>16</sup>

Consulting and Professional Services (Internal) expenses account for 5% (\$559) of the Board's total expenses and are Attorney General (\$391), Office of Administrative Hearings (\$88) and third-party court reporter vendors related to Board enforcement actions.

Business modernization costs related to BPELSG Connect maintenance and operations expenses are \$212 and represent less than 2% of total expenses. These expenses are expected to continue trend downwards subject to required enhancements related to legislative and regulatory changes.

### Projected

The Governor's May Revision for the FY 2024/25 budget forecast projects U.S. headline inflation will continue to moderate as the Federal Reserve maintains its tight monetary policy stance through the

<sup>13</sup> <https://ebudget.ca.gov/2024-25/pdf/Revised/BudgetSummary/EconomicOutlook.pdf>, May 22, 2024

<sup>14</sup> RESPONSE TO THE BACKGROUND PAPER FOR The California Board for Professional Engineers, Land Surveyors, and Geologists Submitted to the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development April 2024 [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_background\\_paper\\_response.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_background_paper_response.pdf) p2, May 31, 2024

<sup>15</sup> [https://www.dca.ca.gov/publications/prorata\\_2023report.pdf](https://www.dca.ca.gov/publications/prorata_2023report.pdf), May 31, 2024

<sup>16</sup> [https://www.dca.ca.gov/publications/prorata\\_2024report.pdf](https://www.dca.ca.gov/publications/prorata_2024report.pdf) June 26, 2024



middle of 2024. Shelter inflation is still projected to decelerate but at a slower rate than in the Governor's Budget forecast. Inflation is projected to then slow to historical rates of between 2 and just below 3 percent for both the nation and the state by early 2025.

Assumptions include annual 3% increase in expenses over the FY 2024/25 budgeted authority and full expenditure to budget authority in each fiscal period.

Wages are expected to increase 3% based on general services increases. General Salary Increases (GSI) were awarded to a majority of Board staff beginning in July 2023:

- Effective July 1, 2023, all SEIU employees shall receive a three percent (3%) GSI.
- Effective July 1, 2024, all SEIU employees shall receive a three percent (3%) GSI.
- Effective July 1, 2025, all SEIU employees shall receive a three percent (3%) GSI. At the time of the May Revision to the 2025-2026 Governor's Budget, if the Department of Finance projects sufficient excess funding, then the General Salary Increase in 11.1.A.3 of this MOU shall be four percent (4.0%) on July 1, 2025.<sup>17</sup>

The 2024 Budget Act assumes \$1.5 billion (\$762.5 million General Fund) in savings related to vacant positions beginning in 2024-25, and ongoing, and that approximately 10,000 vacant positions will be permanently eliminated beginning in 2025-26. The 2024 Budget Act includes CS 4.12 which provides the Department of Finance (Finance) authority to reduce departmental budgets to capture savings related to vacant positions in 2024-25. Pursuant to CS 4.12, departmental appropriations will be adjusted to reflect savings through the Budget Executive Order process. CS 4.12 requires Finance to report to the Legislature on January 10, 2025 (as part of the 2025-26 Governor's Budget), the total savings associated with the permanent elimination of vacant positions in 2025-26, including the department, program(s), and job classification(s), for each vacant position proposed to be eliminated through CS 4.12.<sup>18</sup>

Finance has estimated the savings associated with vacant positions for every state entity as of June 2024 and anticipates that up to half of the estimated savings from vacant positions will be reduced from departmental budgets beginning in the 2024-25 fiscal year and ongoing, and the associated position authority will be permanently removed effective in the 2025-26 fiscal year. The estimated savings are based on data reported by departments to the State Controller's Office (SCO) on filled positions for June 2024 and include salary and benefit costs associated with each vacant position.<sup>19</sup>

There are no vacant positions to reduce salary and benefit costs in FY 2024-25. The Board is currently responding to requests from DCA and DOF to estimate reductions in salary and benefits costs in FY 2024-25 and on-going and expects to begin working towards additional expense reductions of 8% according to

<sup>17</sup> CALIFORNIA DEPARTMENT OF HUMAN RESOURCES SUMMARY OF COLLECTIVE BARGAINING AGREEMENT FOR BARGAINING UNITS 1, 3, 4, 11, 14, 15, 17, 20, AND 21 Exclusive Employee Representative: Service Employees International Union (SEIU) Local 1000 <https://www.calhr.ca.gov/labor-relations/Documents/Summary%20of%20Agreement%20with%20SEIU%20July%201,%202023%20through%20June%2030,%202026.pdf> May 31, 2024

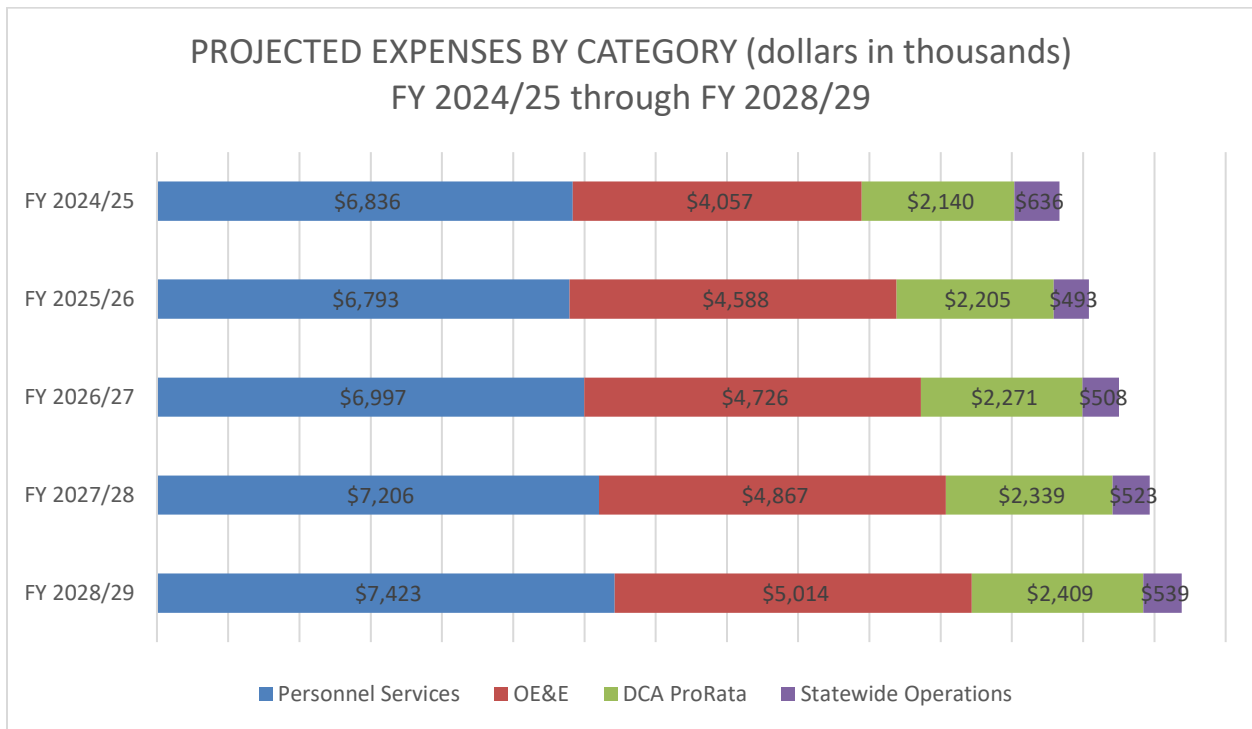
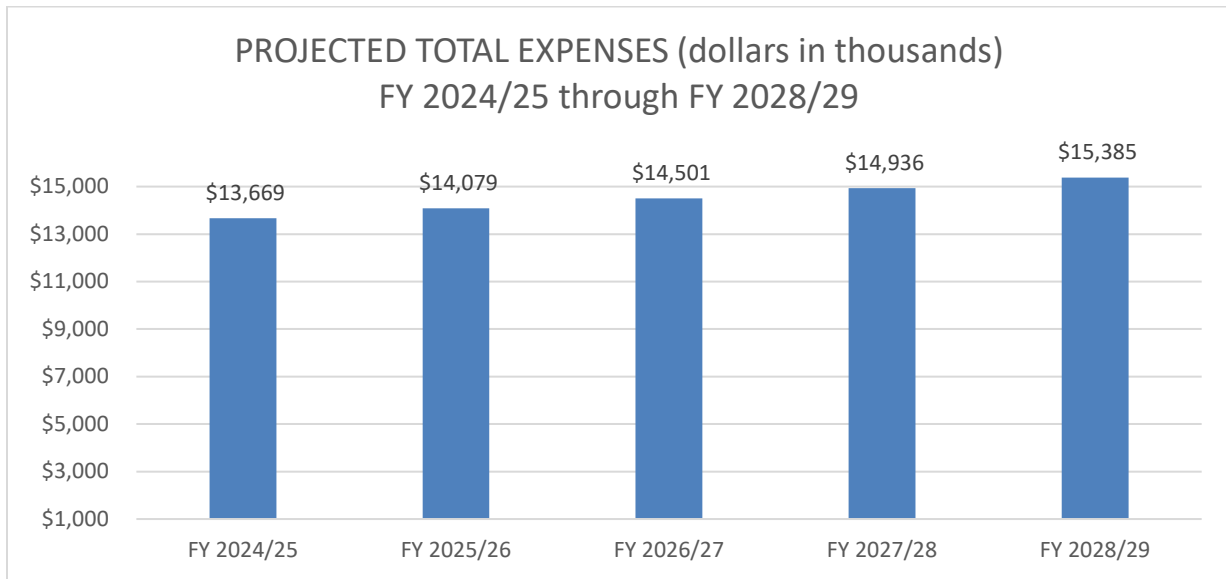
<sup>18</sup> Budget Letter 24-20 Issued July 29, 2024 p1, <https://dof.ca.gov/wp-content/uploads/sites/352/2024/07/BL-24-20-Vacancy-Savings-and-Position-Elimination.pdf>

<sup>19</sup> Budget Letter 24-20 Issued July 29, 2024 p2, <https://dof.ca.gov/wp-content/uploads/sites/352/2024/07/BL-24-20-Vacancy-Savings-and-Position-Elimination.pdf>

the 2024 Budget Act and Budget Executive Order. These savings could exceed \$600 and would decrease FY 2024/25 expenses and increase the expected fund reserves.

Credit card processing fees are calculated as a percentage of the total value of transactions and as the average transaction value increases the credit card processing expenses are expected to rise. Assuming a 90% online participation rate as credit card transactions, the credit card processing fees could increase to as much as \$375 in a high-volume biennial renewal cycle.

The total projected expenses for the next five fiscal period is expected to be \$72,570.



## Fund Condition, Historical, Current and Projected

The Fund Condition Statement displays the summary of a fund's operations for the past, current, and budget years. This statement is generally prepared for all funds classified as special funds within the Manual of State Funds. Fund Condition Statements are also prepared for other funds which are of special interest to the Legislature or the Administration.

The reserve level for the program is defined in B&P Code § 128.5(a) as "an amount that equals or is more than the agency's operating budget for the next two fiscal years." This law also requires fee changes to reduce surplus funds if the reserve exceeds 24 months.<sup>20</sup> Reserves are expected to provide between three and five months of expenses.

The body of the Fund Condition Statement includes the following information, as applicable, in the order indicated below:

1. Beginning Balance – Past year ending balance from the previous Enacted Budget.
  - a. Prior Year Adjustment – Changes to the past year beginning balance, consisting of net total adjustments of expenditures, revenues, and refunds to reverted appropriations for previous years. It may also include minor past year assessments, as determined by the Department of Finance. The prior year adjustment affects only the past year column. The current year and budget year columns must always show zero.
  - b. Adjusted Beginning Balance – The sum of the Beginning Balance and the Prior Year Adjustment.
2. Revenues, Transfers, and other Adjustments.
  - a. Revenues – Detail is provided by type of revenue.
  - b. Transfers and Other Adjustments – Transfer of resources between funds (transfers to and transfers from other funds).
  - c. Total, Revenues, Transfers, and Other Adjustments.
3. Total Resources – The sum of the Adjusted Beginning Balance and the Total Revenue, Transfers, and Other Adjustments.
4. Expenditures and Expenditure Adjustments – Spending by department, displayed by character (State Operations, Local Assistance, Capital Outlay, and Unclassified), as applicable.
  - a. Expenditures – Spending is typically shown in the Business Unit code of entities that spend from the fund. The expenditures are shown in those departments' Governor's Budget and Enacted Budget displays.
  - b. Expenditure Adjustments – Transfers from other funds that are treated as Expenditure Reductions.

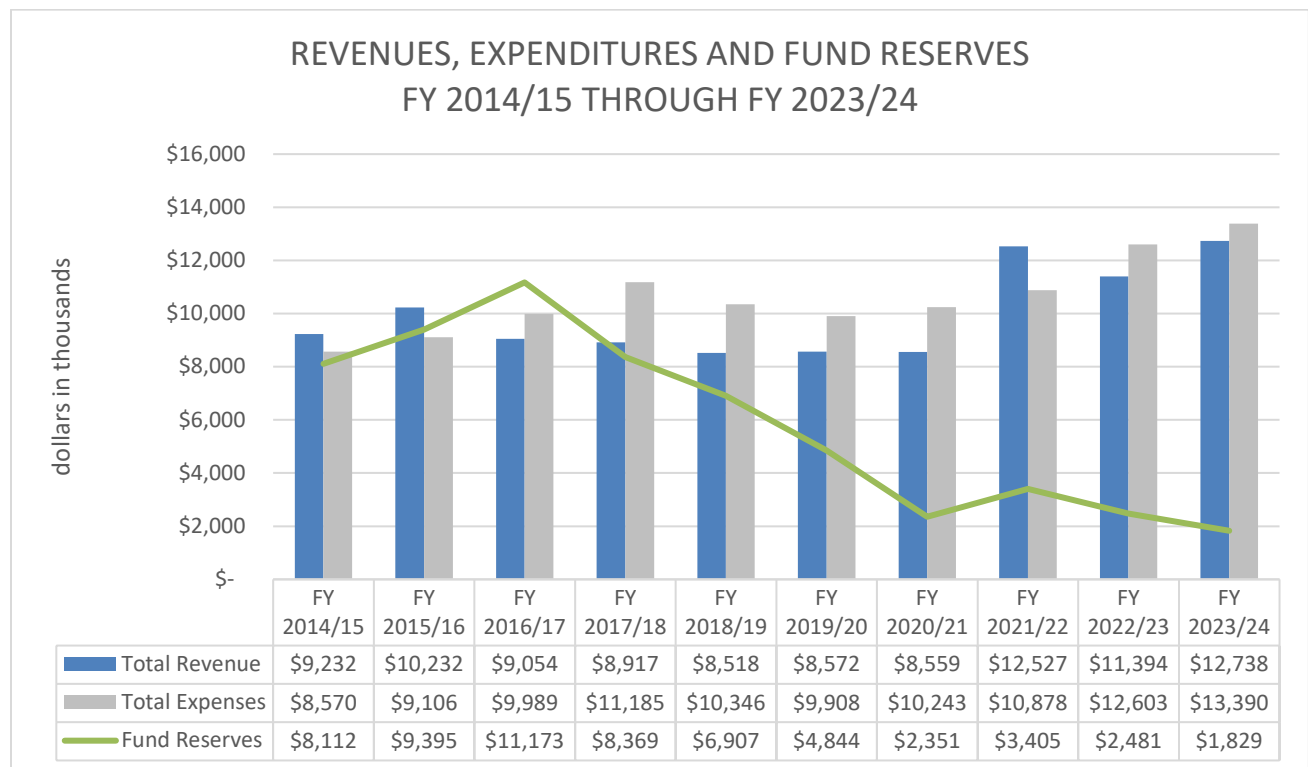
<sup>20</sup> (Board for Professional Engineers, 2024) [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf), p23 Fiscal Issues and Fund Condition

5. Total Expenditures and Expenditure Adjustments – Sum of Expenditures and Expenditure Adjustments, if applicable.
6. Fund Balance – May include reserves for various purposes.
  - a. Reserve for economic uncertainties.
  - b. Other reserves as appropriate – (e.g., unencumbered balance of continuing appropriations).<sup>21</sup>

The reserve level for the program is defined in BPC § 128.5(a) as “an amount that equals or is more than the agency’s operating budget for the next two fiscal years.” This law also requires fee changes to reduce surplus funds if the reserve exceeds 24 months. The Board operates within the budget established by the legislature and does not exceed the authorized expense threshold.<sup>22</sup> Current guidance is the optimal reserve is equivalent to three to six months of expenses, expressed as Months in Reserve (MIR).

### Historical

The Board has been using fund reserves to augment revenues since FY 2016/17 with exceptions in FY 2021/22 and FY 2023/24. The Board has fully funded business modernization efforts since FY 2019/20 and has spent \$3,313,368 on development of the BPELSG Connect platform.



<sup>21</sup> <https://www.dgs.ca.gov/en/Resources/SAM/TOC/6000/6481>, May 21, 2024

<sup>22</sup> (Board for Professional Engineers, 2024) [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf), p23 Fiscal Issues and Fund Condition

## Current

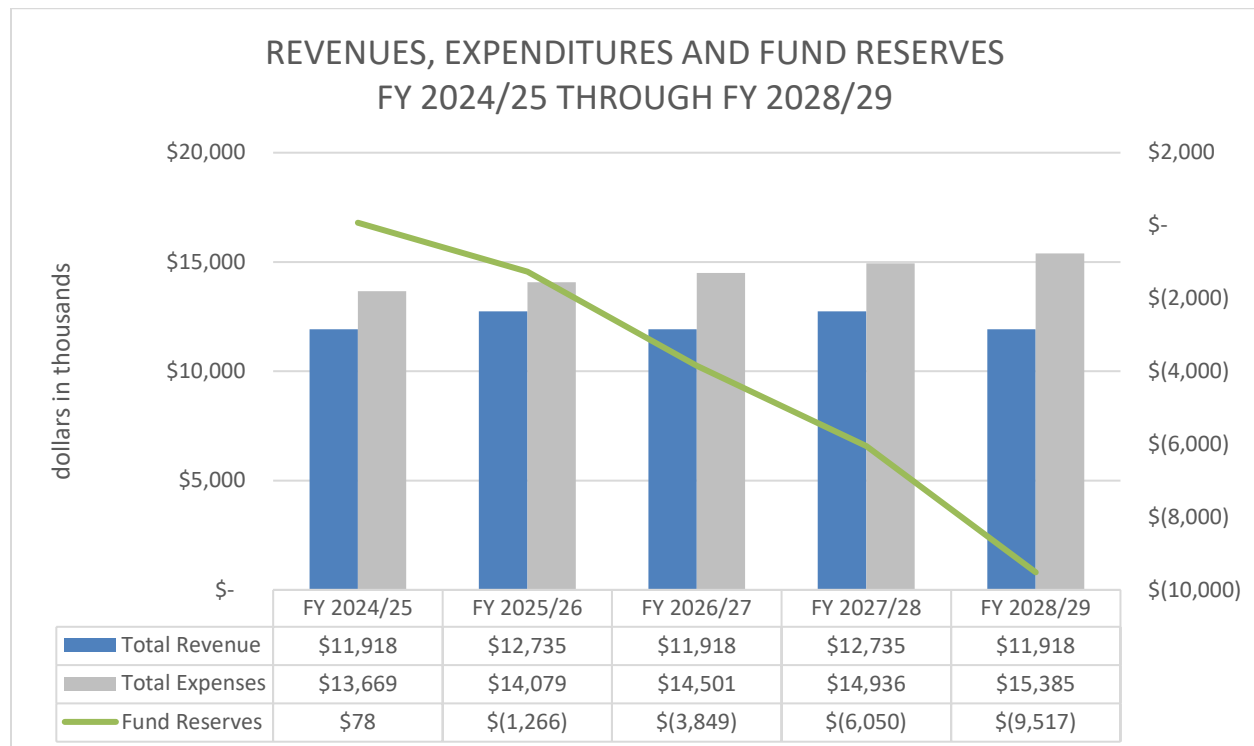
The Fund Beginning Balance at the start of the current FY 2023/24 was \$2,481 (dollars in thousands) with no prior year adjustments. Revenues are projected at \$12,738 which gives the Board total resources to fund operations of \$15,219. The Board's operating expenses are projected at \$12,299 (including \$1,998 in DCA Pro Rata), plus \$209 in Supplemental Pension Payments and \$582 in Statewide General Administrative Expenses (Statewide Operations Pro Rata). The total FY 2023/24 outlay is projected at \$13,090 which is expected to decrease the fund reserve by \$352, leaving a reserve balance of \$2,129, the equivalent of 1.8 months of expenses. This is below the optimal level of three months in reserve.

The 2024-25 Budget provides the Board with \$13,669 in delegated spending authority in FY 2024/25 and if the Board spends to the full authority, it is expected the expenses will exceed revenues in FY 2024/25 further drawing down the fund.

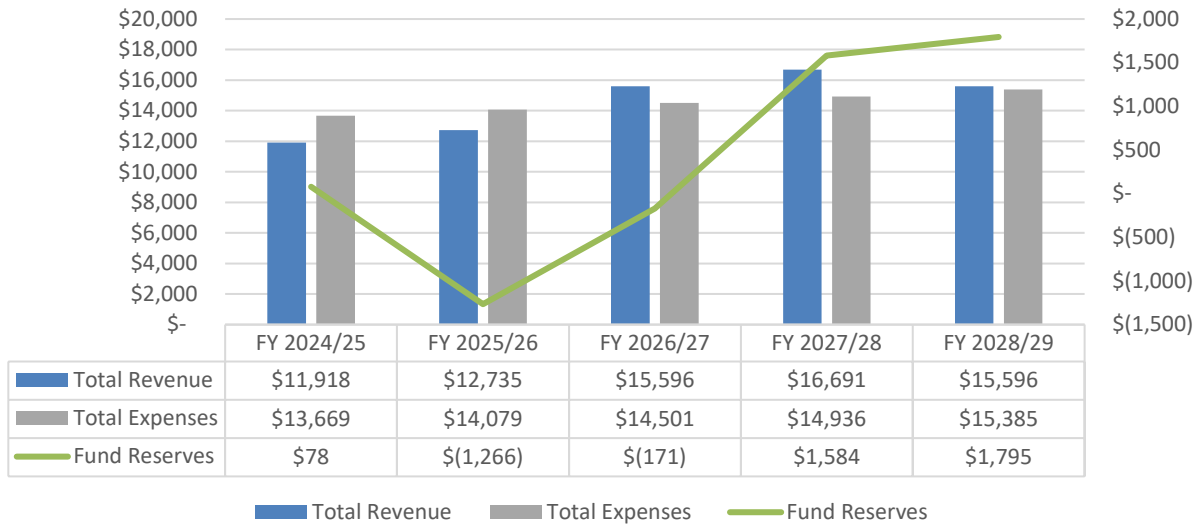
## Projected

The Board is projecting flat revenues for the next five fiscal years and a 3% increase in expenses over the Budget Act of 2024 levels. Based on the current fee structure, this will create a significant structural fund imbalance as early FY 2025/26.

Historically the Board's expenses have not met or exceeded the delegated budget authority, reverting savings to the fund reserves. However, should this change, the Board will not be able to fund operations after FY 2025/26. The projected fund reserve balance is based on flat revenues over the next five fiscal years and a modest inflationary increase in expenses of 3%.



**REVENUES, EXPENDITURES AND FUND RESERVES  
FY 2024/25 THROUGH FY 2028/29  
with Fee Increase Scenario D**



## Workload Analysis

### Administrative Services and Enforcement

The Administrative Services Unit supports the Licensing, Examination, and Enforcement Units and maintains the day-to-day operations at the Board. Administration costs include executive staff, board, administrative support, and fiscal services.<sup>23</sup>

The Enforcement Unit receives and investigates all complaints related to professional engineering, land surveying, geology, and geophysics, and pursues enforcement action, if warranted. Complaints investigated by the Enforcement Unit are often complex due to the technical nature of the engineering, land surveying, geology, and geophysics professions. The majority of cases against licensees involve allegations of negligence and/or incompetence in their professional practice.<sup>24</sup>

Total estimated costs for Administrative Services and Enforcement combined is approximately \$5,929 of the Board’s total expenses and equates to approximately \$111.44 per renewal. Current renewal fees in excess of the \$111.44 subsidize Examination Development and Licensing unit costs.

<sup>23</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report Submitted January 4, 2024, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf) p25, May 31, 2024

<sup>24</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report Submitted January 4, 2024, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf) p25, May 31, 2024

## Licensing

The Licensing Unit reviews and processes applications, processes licenses and certificates for all license types under the Board's authority, and licenses qualified candidates.<sup>25</sup> The Board's application guidelines are governed by different statutory requirements; some licensure competency requirements include passing state specific examinations after the initial application has been approved in technical review. Scheduling examinations and re-examinations is performed by the approved applicant. Total estimated expenses for Licensing Unit operations are \$2,872 which equates to approximately \$426.86 per application. The expenses have been subsidized by license renewal fees.

## Examination Development

The Examination Unit develops and administers state-specific examinations, determines examination passing scores for state-specific examinations, and issues result notifications to licensure candidates for some of the state-specific examinations and for the ASBOG national examinations. The unit also works with the national (NCEES and ASBOG) and state vendors to ensure eligible candidates are able to schedule for examinations as needed. Additionally, the unit monitors the specifications of the national examinations and coordinates occupational analyses of the state-specific examinations to confirm that the examinations are covering appropriate topics for licensure in California.<sup>26</sup>

Total expenses for Examination Development operations are \$3,483 which equates to approximately \$638.31 per examination administered. These expenses are subsidized by license renewal fees.

## Fee Structure in Other States

An attempt was made to compare current and proposed fee structures in California to other states. There are many challenges to comparing fees across states and no direct comparisons are readily apparent. There are significant differences in the application and examination requirements and licensing periods.

### Florida

#### Professional Engineers

- Engineer Intern Certification \$100.00
- Initial Application Fee \$180.00 (temporary reduction from \$230 effective 7/1/2023 through 6/30/2025).
- Biennial Renewal fee \$98.75

#### Professional Land Surveyors

- Initial Application Fee \$255.00
- State Examination fee \$75.00 - \$120.00 based on whether taken out of state or in Florida.
- Biennial Renewal fee \$255.00

<sup>25</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report Submitted January 4, 2024, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf) p25, May 31, 2024

<sup>26</sup> Board for Professional Engineers, Land Surveyors, and Geologists 2023-24 Sunset Review Report Submitted January 4, 2024, [https://www.bpelsg.ca.gov/pubs/2023-24\\_sunset\\_review\\_report.pdf](https://www.bpelsg.ca.gov/pubs/2023-24_sunset_review_report.pdf) p25, May 31, 2024

## **Professional Geologists**

- Geologist in Training Certification \$190.00
- Professional Geologist Initial Application Fee by Examination or from GIT (out-of-state) \$452.50 (temporary reduction from \$500.00 effective 7/1/2023 through 6/30/2025).
- Professional Geologist Initial Application Fee upgrade Florida GIT \$302.50 (temporary reduction from \$350.00 effective 7/1/2023 through 6/30/2025).
- Professional Geologist Initial Application Fee by Endorsement (Comity) \$202.50 (temporary reduction from \$250.00 effective 7/1/2023 through 6/30/2025).
- Re-Examination (if applicant fails to pass national examination, they are required to re-apply and pay re-examination fee) for GIT In Training Certification \$165
- Initial Re-Examination (if applicant does not have any other licenses and fails to pass national examination(s), they are required to re-apply and pay re-examination fee) for Professional Geologist licensure \$250
- Re-Examination (if applicant fails to pass national examination, they are required to re-apply and pay re-examination fee) for Professional Geologist licensure by Examination for GIT (Florida) \$115.00
- Re-Examination (if applicant fails to pass national examination, they are required to re-apply and pay re-examination fee) for Professional Geologist licensure by Examination for upgrade from GIT in another state \$250
- Biennial Renewal fee \$62.50 (temporary reduction from \$125.00 effective 7/1/2023 through 6/30/2025).

## Illinois

### **Professional Engineers**

- Engineer In-Training Certification \$20.00
- Initial Application Fee \$100.00
- Annual Renewal fee \$30.00

### **Professional Land Surveyors**

- Professional Land Surveyor In Training Certification \$70.00
- Initial Application Fee \$150.00
- Annual Renewal fee \$30.00

### **Professional Geologists**

- Initial Application Fee \$250.00
- Annual Renewal fee \$150.00

## Nevada

### **Professional Engineers (includes Geologic Engineers)**

- Engineer In-Training Certification \$50.00
- Initial Application Fee \$25.00 (requires NCEES record with verifications)
- Application Fee (COMITY) \$125.00 (requires NCEES record with verifications)



- Biennial Renewal fee \$100.00 for first license, additional licenses \$50.00 (maximum per licensee is \$200)

#### **Professional Land Surveyors**

- Professional Land Surveyor In Training Certification \$50.00
- Initial Application Fee \$100.00
- State Specific Examination Fee \$125.00
- Biennial Renewal fee \$100.00 for first license, additional licenses \$50.00 (maximum per licensee is \$200)

### New York

#### **Professional Engineers**

- Engineer In-Training Certification \$70.00
- Initial Application Fee \$135.00
- Registration Fee (first 3 years) \$242.00
- Renewal fee \$287 (every 3 years)

#### **Professional Land Surveyors**

- Professional Land Surveyor In Training Certification \$70.00
- Initial Application Fee \$135.00
- Registration Fee (first 3 years) \$242.00
- Renewal fee \$287 (every 3 years)

#### **Professional Geologists**

- Geologist In Training \$70
- Initial Application Fee \$220.00
- Registration Fee (first 3 years) \$210
- Renewal fee \$255.00 (every 3 years)

### North Carolina

#### **Professional Engineers (includes Geologic Engineers)**

- Engineer In-Training Certification \$0.00 (requires NCEES record with verifications)
- Initial Application Fee \$100.00 (requires NCEES record with verifications)
- Application Fee (COMITY) \$0.00 (requires NCEES record with verifications)
- Annual Renewal fee \$75.00

#### **Professional Land Surveyors**

- Professional Land Surveyor In-Training Certification \$0.00 (requires NCEES record with verifications)
- Initial Application Fee \$100.00 (requires NCEES record with verifications)
- Application Fee (COMITY) \$0.00 (requires NCEES record with verifications)

- State Specific Examination Fee \$275.00 with multi-state NCEES Council Record or \$120 without
- Annual Renewal fee \$75.00

### **Professional Geologists**

- Initial Application Fee \$55.00
- Annual Renewal fee \$85.00

## Texas

### **Professional Engineers (includes Geologic Engineers)**

- Engineer In-Training Certification \$15.00 (expires after 8 years, renewable for \$15)
- Initial Application Fee \$75.00
- Annual Renewal fee \$50.00

### **Professional Land Surveyors**

- Professional Land Surveyor In-Training Certification \$15.00 (expires after 8 years, renewable for \$15)
- Initial Application Fee \$75.00
- State Specific Examination Fee \$75.00
- Annual Renewal fee \$50.00

### **Professional Geologists**

- Geologist in Training Certification \$25.00
- Initial Application Fee \$255.00
- Examination Fee \$25.00
- Annual Renewal fee \$223.00 (over 65 \$112)

## Current and Proposed Fee Structure

Professional engineer and land surveyor licensees renew on a biennial cycle from the original assigned date of renewal. Renewals are staggered on a quarterly basis throughout the calendar year. Professional geologist and geophysicist licensees renew on a biennial cycle based on birth month and year the original license was issued.

The application fee for first-time licensure for professional engineers and land surveyors includes licensure through the first renewal quarter after the license is issued. Approximately one to two months after being notified of licensure, first-time licensees receive a renewal notice for payment of the full renewal fee. Once renewed, the license is valid for an additional two years. Professional engineers and land surveyors are on biennial quarterly renewal cycles ending March 31, June 30, September 30, and December 31. The largest quarters, in terms of volume, are June (30% of active licenses renew) and September (26% active licenses renew).

The application fee for first-time licensure for professional geologists and geophysicists includes licensure through the end of the licensee's birth month after the license is issued. Approximately one to two months prior to the first-time licensee's birth month, a renewal notice for payment of the full renewal fee will be issued. Once renewed, the license will be due for renewal on a two-year cycle.

The most recent fee change was effective June 29, 2023. The Office of Administrative Law approved the Board’s proposed action to amend 16 CCR 3005, 3024, and 3031, repeal 16 CCR 3026, and adopt 16 CCR 3024.5. This action re-aligned regulatory fees to account for policy modifications that required applicants to pay national exam fees directly to the national exam administrator. The examination system for Professional Geologists includes the national Fundamentals of Geology (FG) and Practice of Geology (PG) examinations that are administered through the National Association of State Boards of Geology (ASBOG). The Board no longer collects the examination fees associated with the national examinations.

On November 18, 2020, the Office of Administrative Law approved the Board’s proposed action to amend 16 CCR 407, 410, and 3005, and to adopt 16 CCR 3010. This regulatory action, which became effective on January 1, 2021, addressed structural imbalances in the Board’s budget. It standardized fees for all regulated professions under the Board’s jurisdiction, including aligning all renewal fees across all license types.

Legislation enacted during the 4th Extraordinary Session of 2009 (ABX4 20) eliminated the Board for Geologists and Geophysicists (BGG) and transferred all of the duties, powers, purposes, responsibilities, and jurisdiction to regulate the practices of geology and geophysics to this Board. The transfer of authority became effective October 23, 2009. At the time, the former BGG’s Geology and Geophysics Fund (0205) was not merged into the Professional Engineer’s and Land Surveyor’s (0770) Fund. Legislation enacted in 2016 (Bonilla, Chapter 428, AB 177) merged the Geology and Geophysics Account (0205) into the Professional Engineer’s and Land Surveyor’s Fund (0770). Legislation defined that the merger be effective July 1, 2016, to align with the beginning of the new Fiscal Year. All collected revenues and reported expenditures moved to the Board Fund (0770).

The prior fee change for the Board was in FY 2012/13 which re-aligned regulatory fees to account for policy modifications that required applicants to pay national exam fees directly to the national exam administrator for engineering and land surveying examinations. The Board’s fees decreased to reflect the cost of application, exam, and renewal evaluation and staff time. A complete restructuring reduced fees related to application fees for professional licensure (\$275 to \$125); application fees for the in-training certifications (\$100 to \$50); professional license renewal fees (\$125 to \$115); and one-time retired license fees (\$87.50 to \$62.50). It also added a state-specific exam administration fee of \$150.

### Current and Proposed Fees

Fees are established by statute in the Business and Professions Code. Fee authority for Initial Applications fees can be found in BPC §§ 6799(a)(1), 7887(a), and 8805(a) and 16 CCR 407(a)(1-5) and 3005(a)(1-3). Current fee amounts for In-Training Certificates is \$75.00 and the statutory limit is \$100. Current fee amounts for all other licenses is \$175.00 and the statutory limit is \$400.00.

The proposed Initial Application fees for Engineer-In-Training, Land Surveyor-in-Training and Geologist-in-Training is \$100.00, an increase of \$25.00. The proposed Initial Application fee for all other licenses and certificates is \$250.00, an increase of \$75.00.

Initial Application Fees	Statutory Limit	Current Fee	Proposed Fee
Engineer-in-Training (EIT)	\$100.00	\$75.00	\$100.00
Land Surveyor-in-Training (LSIT)	\$100.00	\$75.00	\$100.00
Geologist-in-Training (GIT)	\$100.00	\$75.00	\$100.00
Professional Engineer	\$400.00	\$175.00	\$250.00

Professional Land-Surveyor	\$400.00	\$175.00	\$250.00
Structural Engineer	\$400.00	\$175.00	\$250.00
Geotechnical Engineer	\$400.00	\$175.00	\$250.00
Professional Geologist	\$400.00	\$175.00	\$250.00
Professional Geophysicist	\$400.00	\$175.00	\$250.00
Certified Engineering Geologist	\$400.00	\$175.00	\$250.00
Certified Hydrogeologist	\$400.00	\$175.00	\$250.00

Fee authority for State Specific Examination fees can be found in BPC §§ 6799(a)(2), 7887(e) and (f), and 8805(b) and 16 CCR 407(b)(1-5) and 3005(b)(1-3). Fees can be no greater than actual cost of the development and administration. The Board administers nine State Specific Examinations and the fee for each is \$175.00 for initial and re-examinations. The average cost per exam is \$638.00.

The proposed State Specific Examination fees for all exams is \$250.00, an increase of \$75.00.

Examination Fees	Current Fee	Proposed Fee
Seismic Principles	\$175.00	\$250.00
Engineering Surveying	\$175.00	\$250.00
Professional Land Surveyor	\$175.00	\$250.00
Traffic	\$175.00	\$250.00
Geotechnical	\$175.00	\$250.00
Geology California Specific Exam	\$175.00	\$250.00
Professional Geophysicist	\$175.00	\$250.00
Certified Engineering Geologist	\$175.00	\$250.00
Certified Hydrogeologist	\$175.00	\$250.00

Fee authority for Biennial Renewal fees can be found in BPC §§ 6799(a)(3), 7887(b) and (c), and 8805(c) and 16 CCR 407(c) and 3005(d). These sections describe license renewal periods and allow licenses to renew at any time within five years after the expiration date by paying all accrued and unpaid renewal fees. The current biennial renewal fee is \$180.00, and the statutory limit is \$400.00. Fee authority for Delinquent Biennial Renewal fees can be found in BPC §§ 6799(a)(5), 7887(d), and 8805(e) and 16 CCR 407(g) and 3005(e). Fees are limited to not more than 50% of the renewal fee in effect on the date of reinstatement.

The proposed biennial Renewal Fees for all licenses and certificates is \$250.00, an increase of \$70.00.

The proposed Delinquent Biennial Renewal Fee is \$125.00, an increase of \$35.00.

License Renewal Fees	Statutory Limit	Current Fee	Proposed Fee
Professional Engineer	\$400.00	\$180.00	\$250.00
Professional Land-Surveyor	\$400.00	\$180.00	\$250.00
Structural Engineer	\$400.00	\$180.00	\$250.00
Geotechnical Engineer	\$400.00	\$180.00	\$250.00
Professional Geologist	\$400.00	\$180.00	\$250.00
Professional Geophysicist	\$400.00	\$180.00	\$250.00
Certified Engineering Geologist	\$400.00	\$180.00	\$250.00
Certified Hydrogeologist	\$400.00	\$180.00	\$250.00

Delinquent License Renewal Fees	Current Fee	Proposed Fee
Professional Engineer	\$90.00	\$125.00
Professional Land-Surveyor	\$90.00	\$125.00
Structural Engineer	\$90.00	\$125.00
Geotechnical Engineer	\$90.00	\$125.00
Professional Geologist	\$90.00	\$125.00
Professional Geophysicist	\$90.00	\$125.00
Certified Engineering Geologist	\$90.00	\$125.00
Certified Hydrogeologist	\$90.00	\$125.00

Fee authority for Retired License fees can be found in BPC §§ 6799(a)(4), and 7887(g), and 8805(d) and 16 CCR 407(d) and 3005(g). The current Retired License fee is \$75.00. Fees are limited to not more than 50% of the license renewal fee in effect at the time.

The proposed Retired License fee is \$100.00, an increase of \$25.00.

License Renewal Fees	Current Fee	Proposed Fee
Professional Engineer	\$75.00	\$100.00
Professional Land-Surveyor	\$75.00	\$100.00
Structural Engineer	\$75.00	\$100.00
Geotechnical Engineer	\$75.00	\$100.00
Professional Geologist	\$75.00	\$100.00
Professional Geophysicist	\$75.00	\$100.00
Certified Engineering Geologist	\$75.00	\$100.00
Certified Hydrogeologist	\$75.00	\$100.00

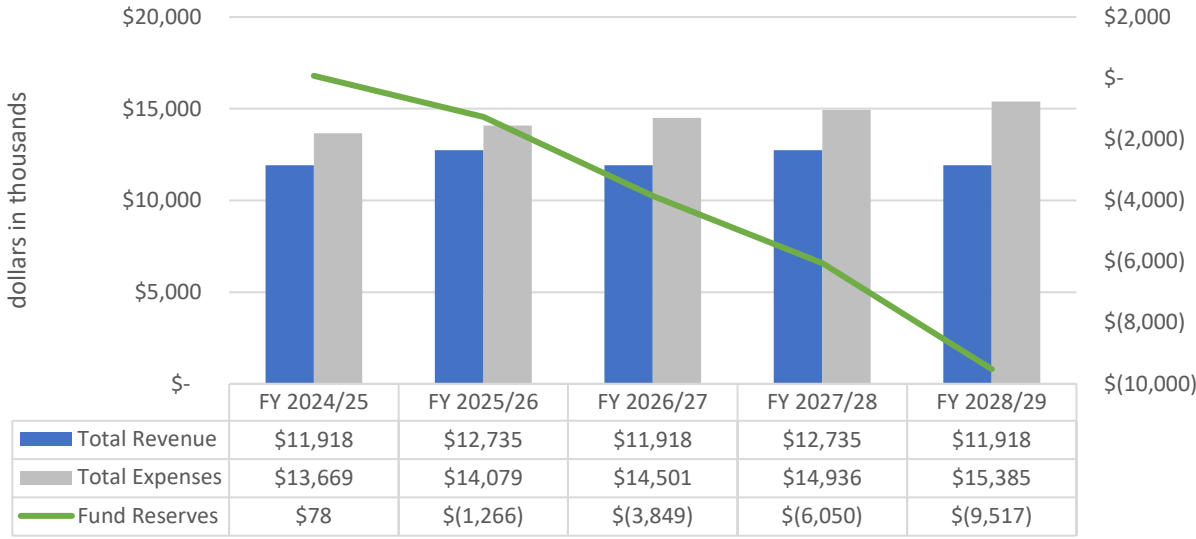
## Alternatives to the Proposed Fees

Five fee scenarios were evaluated.

### Scenario A – No Fee Changes

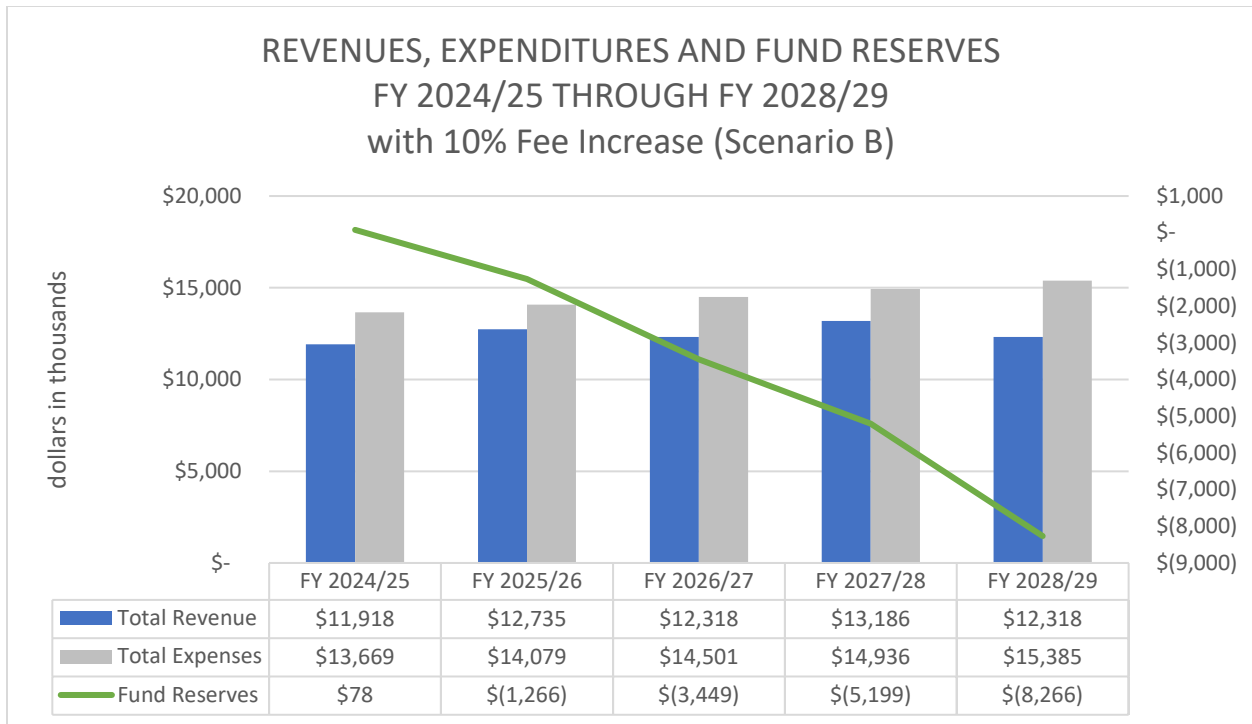
This scenario provides the baseline application volumes and revenues with no changes to the fees. If the Board chooses not to increase fees, the fund is expected to become and remain insolvent and unable to fund operations. Savings and reversions are expected to offset negative fund reserves through FY 2025/26.

**REVENUES, EXPENDITURES AND FUND RESERVES  
FY 2024/25 THROUGH FY 2028/29  
with No Fee Increase (Scenario A)**



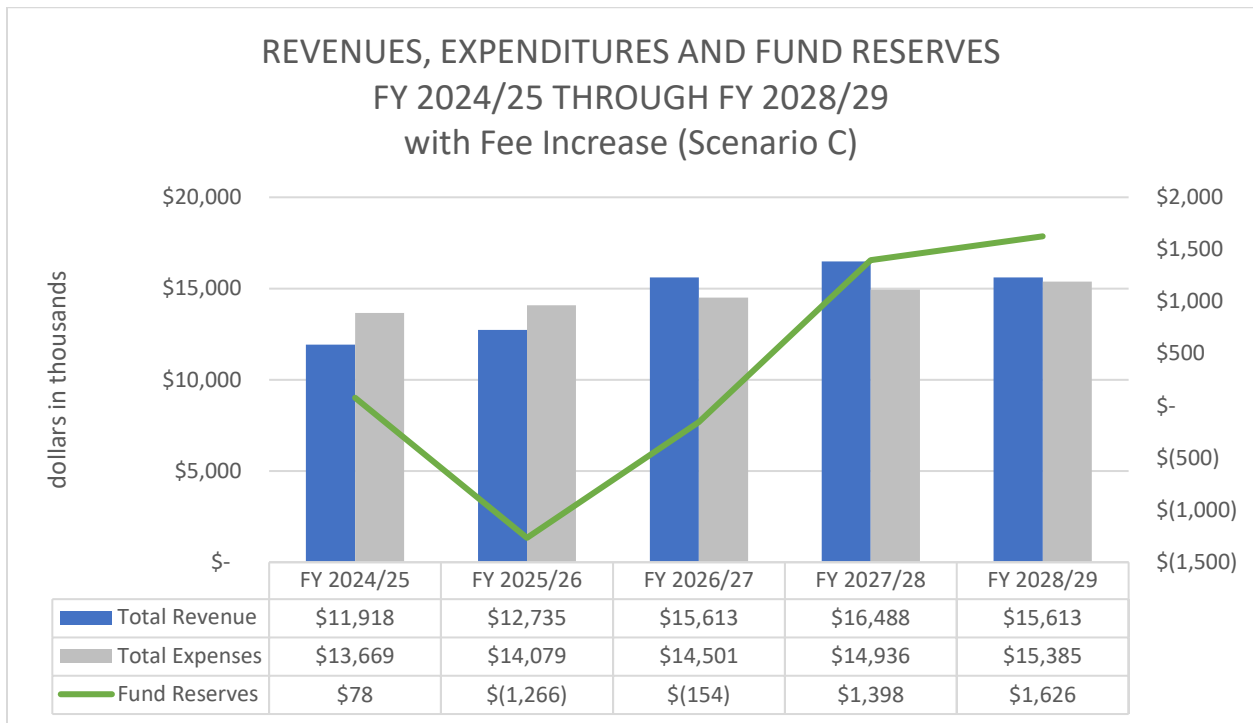
### Scenario B – 10% increase in Fees

This scenario increases fees by 10%, slightly higher than recent peak inflation rates. Initial Application fees for In-Training Certificates increase to \$83, an \$8.00 increase; Initial Application fees for licenses and Examination fees increase to \$193.00, an increase of \$18.00. Biennial Renewal fees increase to \$198.00, an increase of \$18.00 and Retired License fees increase to \$83.00, an increase of \$8.00. If the Board chooses this scenario, the fund may become insolvent and unable to fund operations as early as FY 2025/26. Savings and reversions are expected to offset negative fund reserves through FY 2025/26, however this level of fee increase does not reverse the downward trend in the fund reserve.



### Scenario C – Raise Initial Application and Examination Development Fees to Actual Costs

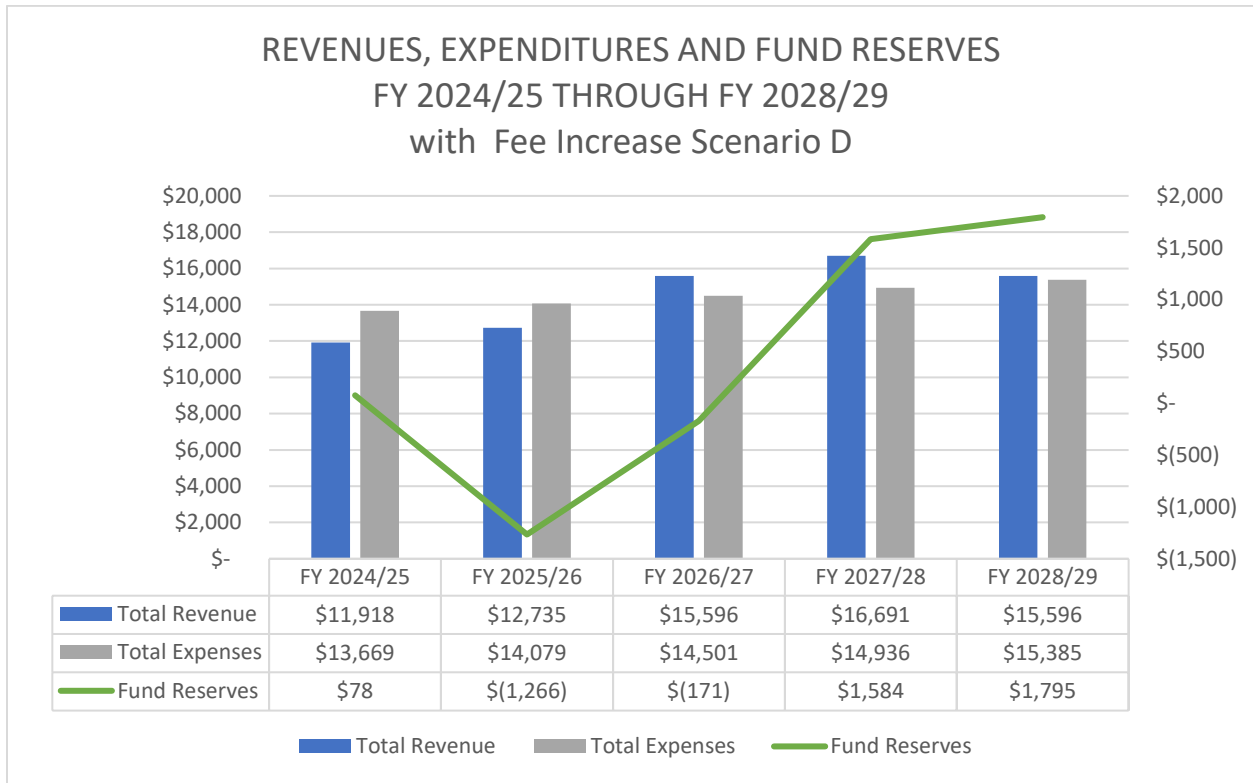
This scenario increases Initial Application fees to the statutory limit (\$100.00 for In-Training certificates and \$400.00 for licenses) as the average cost per application is \$427.00. This is an increase of \$25.00 for In-Training certificates and \$225.00 for licenses. Examination Fees are increased to \$638.00, an increase of \$463.00. To support Board operations, the biennial Renewal Fees are increased to \$200.00 an increase of \$20.00. While this scenario reverses the downward trend in fund reserves, the Board historically has declined significant increases in initial application and examination fees as high application and examination fees can be a barrier to entry to the professions regulated by the Board. Savings and reversions are expected to offset negative fund reserves through FY 2025/26 and could extend into FY 2026/27.





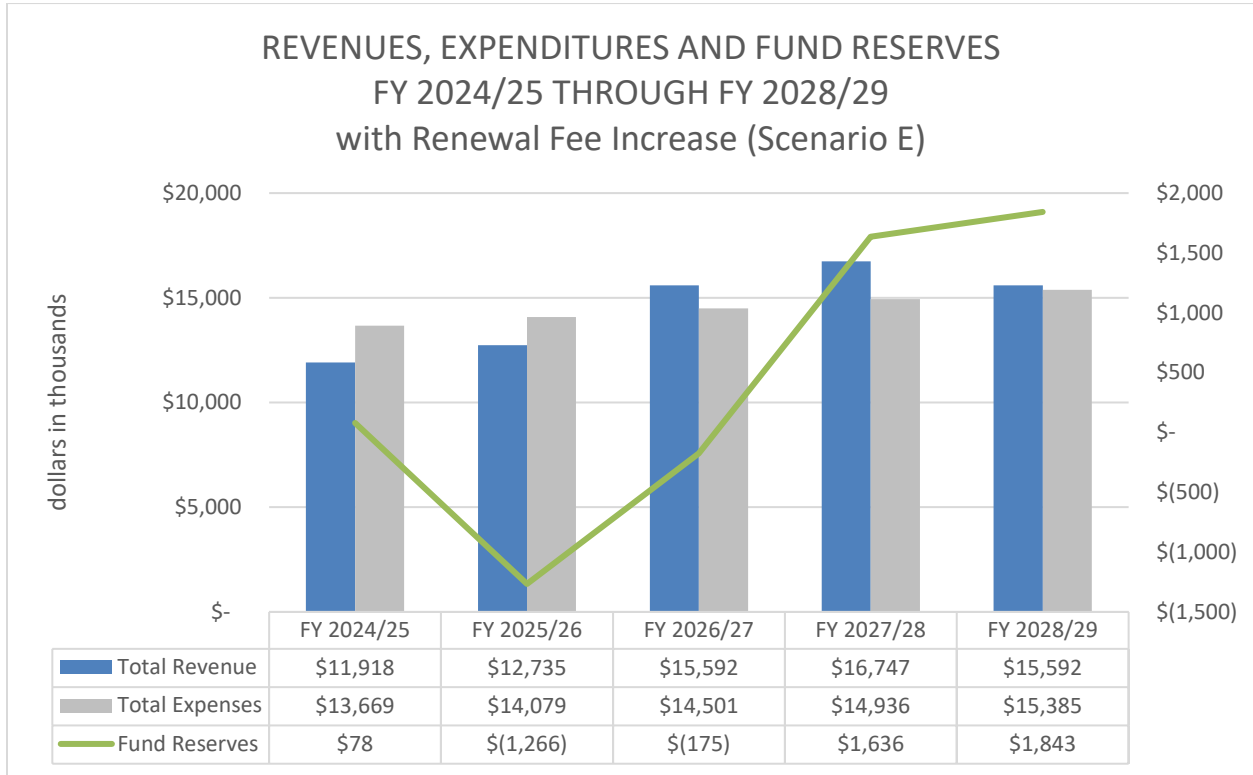
**Scenario D – Raise Fees, Continue to Subsidize Initial Application and Examination Development with Renewal Fee Revenues**

This scenario increases Initial Application fees to \$250.00 (\$100.00 for In-Training certificates) an increase of \$25.00 for In-Training certificates and \$75.00 for licenses. Examination Fees are increased to \$250.00, an increase of \$75.00. Biennial Renewal Fees are increased to \$250.00 an increase of \$70.00. Retired License fees are increased to \$100.00. Savings and reversions are expected to offset negative fund reserves through FY 2025/26 and could extend into FY 2026/27.



**Scenario E – Hold Initial Application and Examination Fees and Subsidize Initial Application and Examination Development with Renewal Fee Increases**

This scenario does not increase Initial Application, Examination or Retired License fees. Biennial Renewal Fees are increased to \$265, an increase of \$85.00. Savings and reversions are expected to offset negative fund reserves through FY 2025/26 and could extend into FY 2026/27.



**Workload Analysis Administrative Services and Enforcement Units**

<b>Tasks Associated with Administration and Enforcement for Board Operations</b>	<b>Unit (Renewals)</b>	<b>Hrs. Per Unit</b>	<b>Hrs. (AGPA PY)</b>	<b>Hrs. (SSA PY)</b>	<b>Hrs. (OT PY)</b>	<b>Hrs. (OA PY)</b>	<b>Hrs. (SSM I PY)</b>	<b>Hrs. (Sr Registrar PY)</b>	<b>Hrs. (Executive)</b>
Administration Board Budget	53,200	0.03	940	-	-	-	731	-	-
Administration Board Liaison	53,200	0.02	522	-	-	-	-	-	626
Administration Cashiering	53,200	0.03	731	-	-	626	-	-	-
Administration Contracts, Procurement and Asset Coordinator	53,200	0.02	1,148	-	-	-	-	-	-
Administration Facilities and Business Services	53,200	0.00	209	-	-	-	-	-	-
Administration Front Desk	53,200	0.02	-	-	626	626	-	-	-
Administration Human Resources Liaison, Training and Emergency Plan Coordinator	53,200	0.04	1,984	-	-	-	-	-	209
Administration Legislative and Regulatory Review	53,200	0.03	731	-	-	-	209	-	418
Administration License and Examination Verifications	53,200	0.01	-	-	626	-	-	-	-
Administration Mail Processing	53,200	0.02	-	-	209	835	-	-	-
Administration Outreach	53,200	0.06	940	-	-	-	-	2,084	-
Administration Program Management	53,200	0.07	-	-	-	-	1,148	-	2,349
Administration Records Management Assistant Coordinator	53,200	0.02	1,044	-	-	-	-	-	-
Administration Reporting	53,200	0.02	1,044	-	-	-	-	-	-
Administration Social Media and Publications	53,200	0.01	731	-	-	-	-	-	-
Administration Special Projects	53,200	0.02	835	-	-	-	-	-	-
Administration Website Admin, Development and Analytics	53,200	0.03	1,670	-	-	-	-	-	-
Enforcement Citation Program	53,200	0.01	418	-	-	-	-	-	-
Enforcement Complaint Investigations	53,200	0.25	7,934	4,280	940	-	-	-	-
Enforcement Delinquent Reinstatement Investigations	53,200	0.00	104	-	-	-	-	-	-
Enforcement Examination Subversion Complaint Investigations	53,200	0.01	313	-	-	-	-	-	-
Enforcement In-House Technical Expert	53,200	0.03	-	-	-	-	-	1,670	-
Enforcement Liaison to the Office of the Attorney General	53,200	0.01	-	-	-	-	522	-	-
Enforcement Organization Records Maintenance	53,200	0.02	63	-	940	-	-	-	-
Enforcement Program Management	53,200	0.03	-	-	-	-	1,566	-	191
Enforcement Reporting Legal Actions Program	53,200	0.03	1,357	-	-	-	-	-	-
Enforcement Subpoena Processing and Public Records Act Requests	53,200	0.03	522	1,044	-	-	-	-	-
Enforcement Technical Expert Program Coordinator	53,200	0.01	313	-	-	-	-	-	-
Enforcement Unit Correspondence	53,200	0.03	898	626	209	-	-	-	-
Enforcement Unit Outreach	53,200	0.01	397	313	-	-	-	-	-
Enforcement Unit Publications	53,200	0.00	209	-	-	-	-	-	-
<b>Total Hours</b>			<b>25,056</b>	<b>6,264</b>	<b>3,550</b>	<b>2,088</b>	<b>4,176</b>	<b>3,754</b>	<b>3,793</b>
<b>Workload Required (PY's)</b>			<b>12.0</b>	<b>3.0</b>	<b>1.7</b>	<b>1.0</b>	<b>2.0</b>	<b>1.8</b>	<b>1.8</b>
<b>Total Average Costs by Classification (Per Year)</b>			<b>\$ 2,766,726</b>	<b>\$ 605,923</b>	<b>\$ 321,936</b>	<b>\$ 181,862</b>	<b>\$ 502,739</b>	<b>\$ 600,271</b>	<b>\$ 273,231</b>
<b>Costs Per Renewal by Classification</b>			<b>\$ 52.01</b>	<b>\$ 11.39</b>	<b>\$ 6.05</b>	<b>\$ 3.42</b>	<b>\$ 9.45</b>	<b>\$ 11.28</b>	<b>\$ 5.14</b>
Additional Costs (i.e. Temporary help, Experts, Contracts, etc.)	\$ 675,815								
Total Costs All Operations	\$ 5,928,503								
Average Renewals Per Year	53,200								
Average Fee Per Renewal	\$ 111.44								

Tasks Associated with Processing Applications for Licensure	Application Volume	Hours Per Application	Hrs. (AGPA PY)	Hrs. (SSA PY)	Hrs. (OT PY)	Hrs. (SSM I PY)	Hrs. (Sr. Reg. PY)	Hrs. (Executive)
Application Review	6,728	1.7	5,429	2,088	835	0	2,923	0
Applicant Communications	6,728	0.8	3,445	1,462	313	0	0	0
Applicant Outreach	6,728	0.1	522	0	0	0	0	0
Fingerprint Criminal Records Program	6,728	0.2	1,044	0	522	0	0	0
Website and Application Form Review and Maintenance	6,728	0.1	522	0	0	0	0	0
Application Documentation Support	6,728	0.1	0	0	626	0	0	0
Records Retention	6,728	0.1	0	0	418	0	0	0
Licensing Program Management	6,728	0.3	0	0	0	2,088	0	191
Special Projects	6,728	0.3	1,566	626	0	0	0	0
Total Hours	6,728	3.7	12,528	4,176	2,714	2,088	2,923	191
Workload Required Personnel Years			6.0	2.0	1.3	1.0	1.4	0.1
Total Average Costs by Classification			\$ 1,383,363	\$ 403,949	\$ 236,420	\$ 251,370	\$ 467,375	\$ 28,089
Costs Per Application by Classification			\$ 206	\$ 60	\$ 35	\$ 37	\$ 69	\$ 4
Additional Costs (Temporary Help, Experts, Contracts, etc)			\$101,372					
Total All Costs Licensing			\$2,871,938					
Average Applications Received Annually Past 5 FY	6,728							
Average Application Fee Per Application			\$426.86					

### Workload Analysis Examination Development Unit

Tasks Associated with Developing Examinations for Licensure	Unit (State Exams)	Hrs. Per Unit	Hrs. (AGPA PY)	Hrs. (MST PY)	Hrs. (Sr. Reg. PY)	Hrs. (SSM I PY)	Hrs. (Executive)
Plan and facilitate examination development for state specific examinations.	9	557	5,011				
Develop technical materials related to process for item writing, item writing and standard setting.	9	209	1,879				
Coordinate, schedule and compile information for workshops and meetings.	9	348	3,132				
Research, identify, analyze, and implement changes on special projects.	9	139	1,253				
Maintain item bank of items for all examination	9	70	626				
Create, develop, and implement databases to ensure data is stored in an efficient and accessible manner.	9	70	626				
Assist with Recruitment, screening and evaluation of Expert Consultants. Acts as a liaison between Expert Consultants and the Board.	9	70		626			
Responds to all unit correspondence from vendors, contractors, and Expert Consultants.	9	58		522			
Receives and reviews all postponement requests from examination candidates, makes recommendations for approval.	9	35		313			
Independently reviews and modifies incorrect exam information and/or candidate issues in BPELSG Connect.	9	35		313			
Assists in the planning and facilitation of examination development meetings.	9	35		313			
Consults with staff and contractors in exam development for professional licensure and	9	186			1,670		
Examination Development Program Management	9					2,088	191
Total Hours			12,528	2,088	1,670	2,088	191
Workload Required (PY's)			6.0	1.0	0.8	1.0	0.1
Total Average Costs by Classification (Per Year)			\$1,383,363	\$189,101	\$267,071	\$251,370	\$28,089
Costs Per Exam by Classification			\$153,707	\$21,011	\$29,675	\$27,930	\$3,121
Additional Costs (i.e. Temporary help, Experts, Contracts, etc.)	\$	1,364,269					
Total Costs All Exams	\$	3,483,263					
Average Candidates Tested Annually		5,457					
Average Candidate Fee Per Exam		<b>\$638.31</b>					



**V. Consideration of Rulemaking Proposal (Possible Action)**

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Approval of Rulemaking Proposal to Amend Title 16, California Code of Regulations sections 407 and 3005 (Fees)





### **Consideration of Rulemaking Proposals**

Regulatory Fees: Professional Engineering and Professional Land Surveying, Title 16, California Code

of Regulations section 407 and Geologists and Geophysicists, Title 16, California Code of Regulations

section 3005. (Possible Action)

#### **Staff Recommendations:**

Staff recommends that the Board consider the draft rulemaking language as it anticipates these regulatory amendments will set effective policy decisions that foster an affordable path to licensure, align fees with the full cost of operational services, set fees to facilitate the effective administration of the Board, and respond more efficiently to the needs of the public, applicants, and licensees. Board staff further recommends that the Board approve the following language and fees in accordance with Scenario D from the previously described Fee Study and direct staff to begin the rulemaking process to amend Title 16, California Code of Regulations sections 407 and 3005.

**Board Rules and Regulations Relating to the Practices of  
Professional Engineering and Professional Land Surveying  
California Code of Regulations  
Title 16, Division 5  
§§ 400-476  
Article 1. General Provisions**

**407. Fees.**

- (a) The following is the prescribed application fee for:
 

(1) Authority to use the title “structural engineer”	<u>\$250</u> <del>175</del>
(2) Authority to use the title “geotechnical engineer”	<u>\$250</u> <del>175</del>
(3) Licensure as a professional engineer	<u>\$250</u> <del>175</del>
(4) Licensure as a professional land surveyor	<u>\$250</u> <del>175</del>
(5) Certification as an engineer-in-training or as a land surveyor-in-training	<u>\$100</u> <del>75</del>
- (b) The following is the prescribed examination fee for state-specific examinations:
 

(1) California Special Civil Seismic Principles	<u>\$250</u> <del>175</del>
(2) California Special Civil Engineering Surveying	<u>\$250</u> <del>175</del>
(3) Geotechnical Engineering	<u>\$250</u> <del>175</del>
(4) California State-Specific Land Surveying	<u>\$250</u> <del>175</del>
(5) Traffic Engineering	<u>\$250</u> <del>175</del>
- (c) The two-year biennial renewal fee for a license that expires on or after January 1, 2026~~4~~, shall be \$250~~180~~.
- (d) The fee for each retired license shall be \$100~~75~~. No renewal fee or other fee shall be charged for the retired license.
- (e) The duplicate certificate fee prescribed in Section 410 shall be \$10.
- (f) Fees required under provisions of this rule transmitted through the United States mail shall be deemed filed on the date shown by the post office cancellation mark stamped on the envelope containing the fee or on the date mailed if satisfactory proof is made that mailing occurred on an earlier date.
- (g) The delinquency fee for renewal of a license is 50% of the renewal fee in effect on the date of reinstatement.
- (h) Refund of fees submitted to the Board shall be made only as follows:
  - (1) Any application fees or penalties imposed and collected illegally, by mistake, inadvertence or error shall be refunded in full.
- (i) As used in this section, “license” includes certificate of registration or license as a professional engineer, licensure as a professional land surveyor, and certificates of authority to use the titles “structural engineer,” “geotechnical engineer,” “soil engineer,” “soils engineer,” “consulting engineer,” or “photogrammetric surveyor.”

**Regulations Relating to the Practices of  
Geology and Geophysics  
California Code of Regulations  
Title 16, Division 29  
§§ 3000-3067  
Article 1. General Provisions**

**3005. Fees.**

- (a) The following is the prescribed application fee for:
- |                                                                          |                                 |
|--------------------------------------------------------------------------|---------------------------------|
| (1) Licensure as a Professional Geologist or a Professional Geophysicist | <del>\$250</del> <sup>175</sup> |
| (2) Certification as a specialty geologist or specialty geophysicist     | <del>\$250</del> <sup>175</sup> |
| (3) Certification as a geologist-in-training                             | <del>\$100</del> <sup>75</sup>  |
- (b) The following is the prescribed examination fee for:
- |                                                                                      |                                 |
|--------------------------------------------------------------------------------------|---------------------------------|
| (1) The California specific geologist examination                                    | <del>\$250</del> <sup>175</sup> |
| (2) Examination for licensure as a geophysicist                                      | <del>\$250</del> <sup>175</sup> |
| (3) Examination for certification as a specialty geologist or specialty geophysicist | <del>\$250</del> <sup>175</sup> |
- (c) The duplicate certificate fee shall be \$10.
- (d) The two-year biennial renewal fee for a license that expires on or after January 1, 2026~~4~~, shall be ~~\$250~~<sup>180</sup>.
- (e) The delinquency fee for renewal of a license is 50% of the renewal fee in effect on the last regular renewal date.
- (f) Fees required under provisions of this rule transmitted through the United States mail shall be deemed filed on the date shown by the post office cancellation mark appearing on the envelope containing the fee or on the date mailed if satisfactory proof is made that mailing occurred on an earlier date.
- (g) The fee for the retired license shall be ~~\$100~~<sup>75</sup>. No renewal fee or other fee shall be charged for the retired license.
- (h) Refund of fees submitted to the Board shall be made only as follows:
- (1) Any application fees or penalties imposed and collected illegally, by mistake, inadvertence, or error shall be refunded in full.
- (i) As used in this section, "license" includes certificate of registration or license as a professional geologist, certificate of registration or license as a professional geophysicist, and certificate of registration or license as a registered certified specialty geologist or specialty geophysicist.



## **VI. Enforcement**

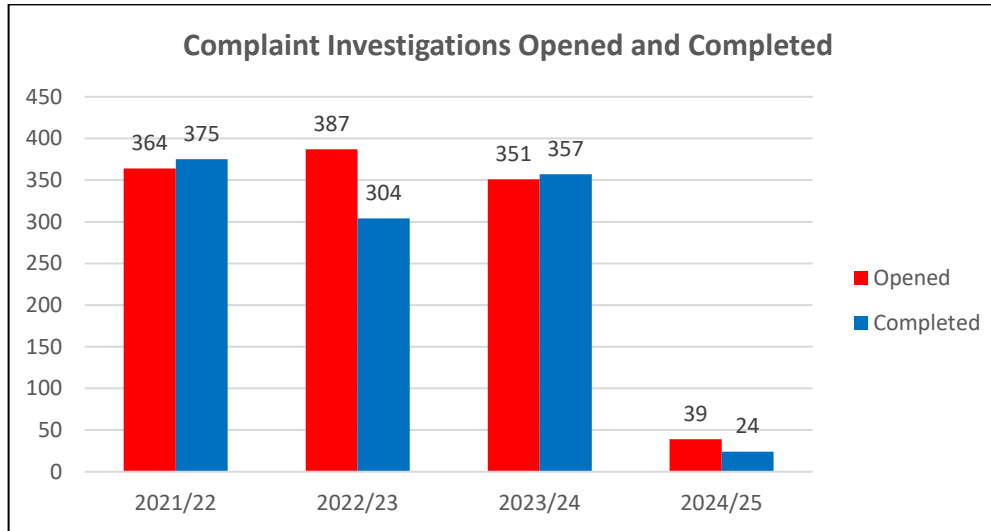
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- A. Enforcement Statistical Reports
  - 1. Fiscal Year 2023/24 Update



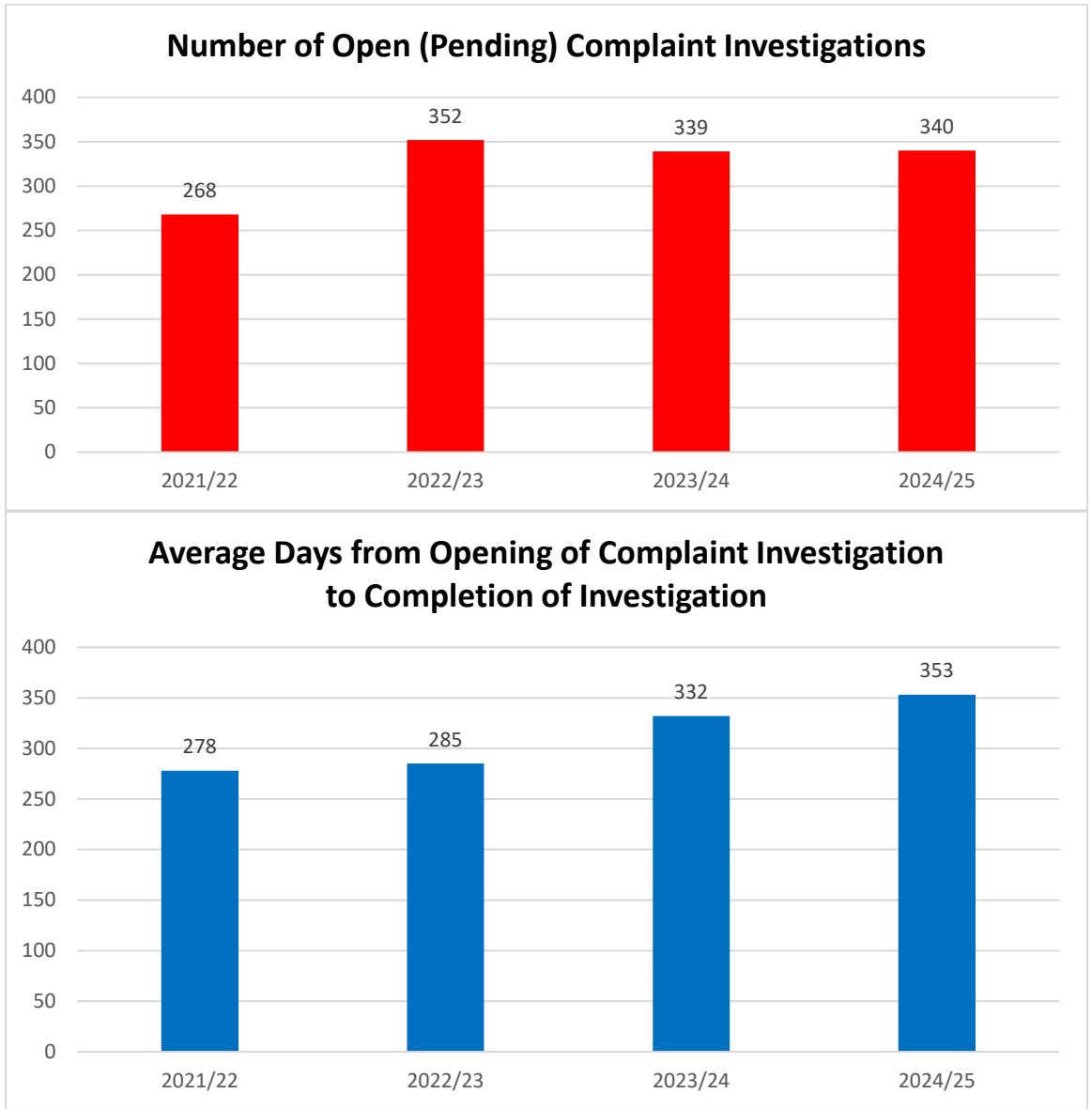
# Complaint Investigation Phase

Number of Complaint Investigations Opened & Completed by Month  
FY 24/25



NOTE: FY24/25 statistics are through July 31, 2024

# Complaint Investigation Phase

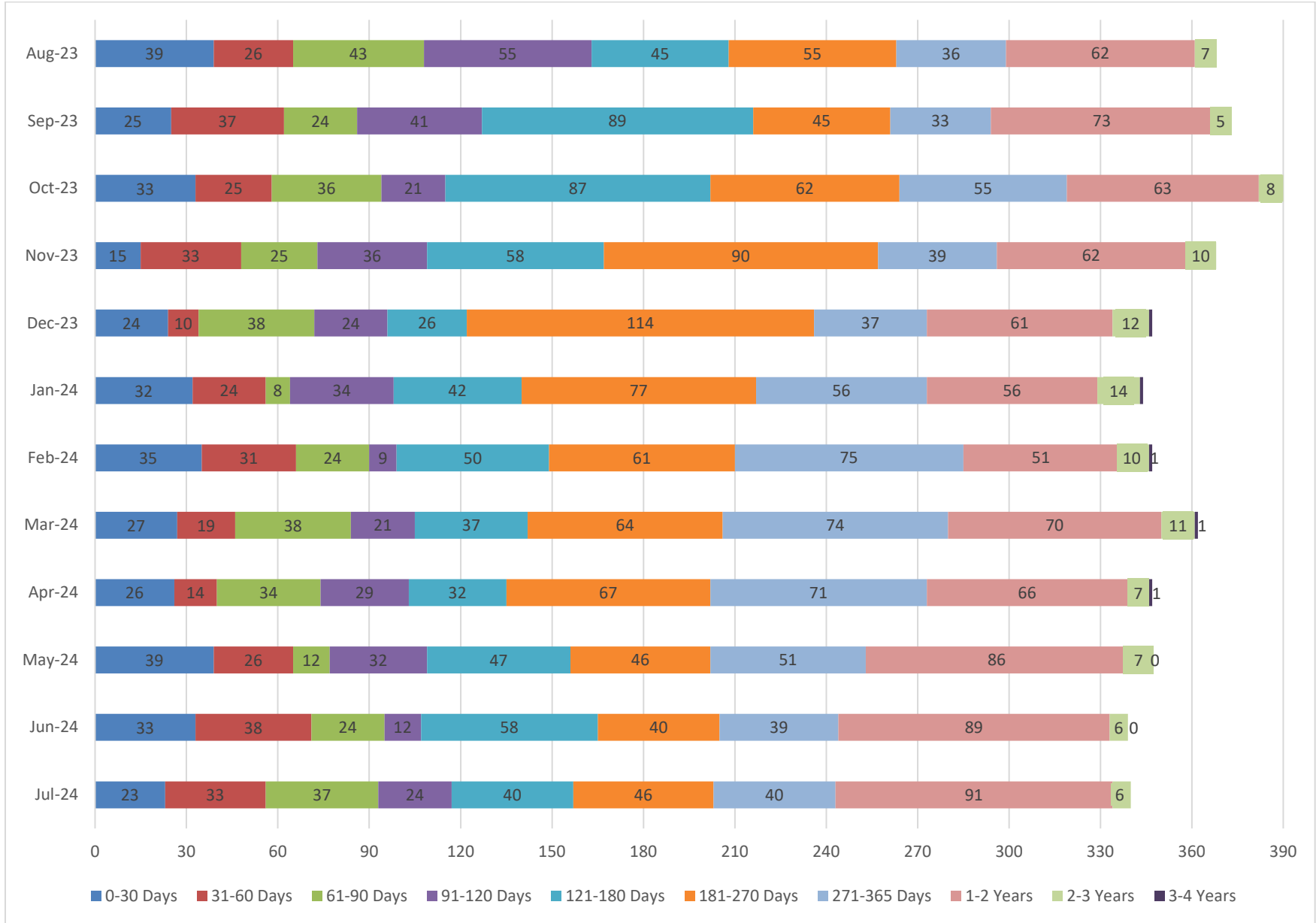


NOTE: FY24/25 statistics are through July 31, 2024

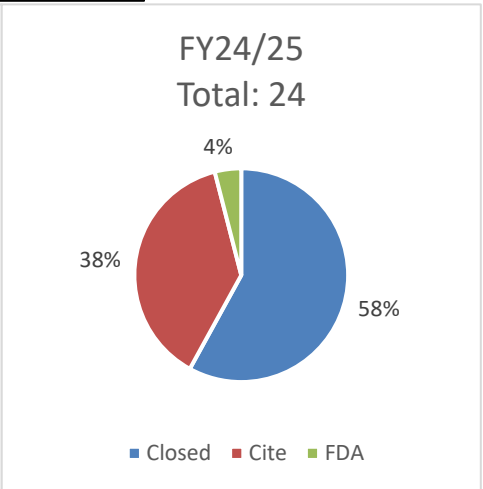
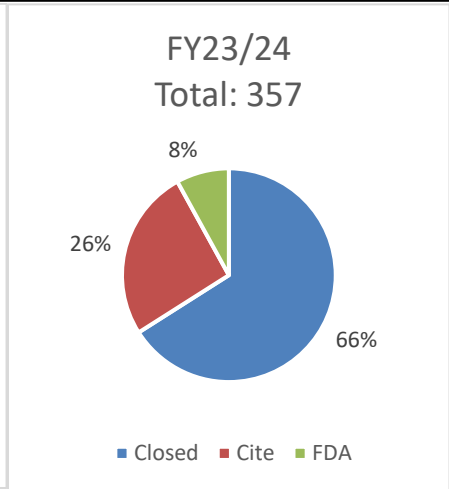
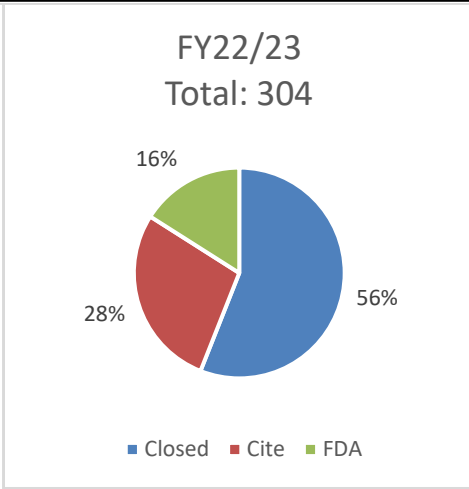
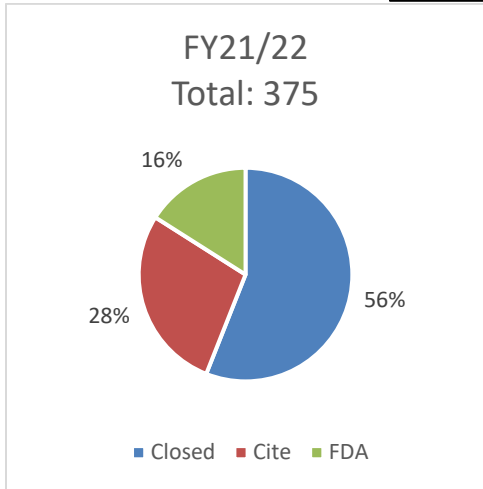
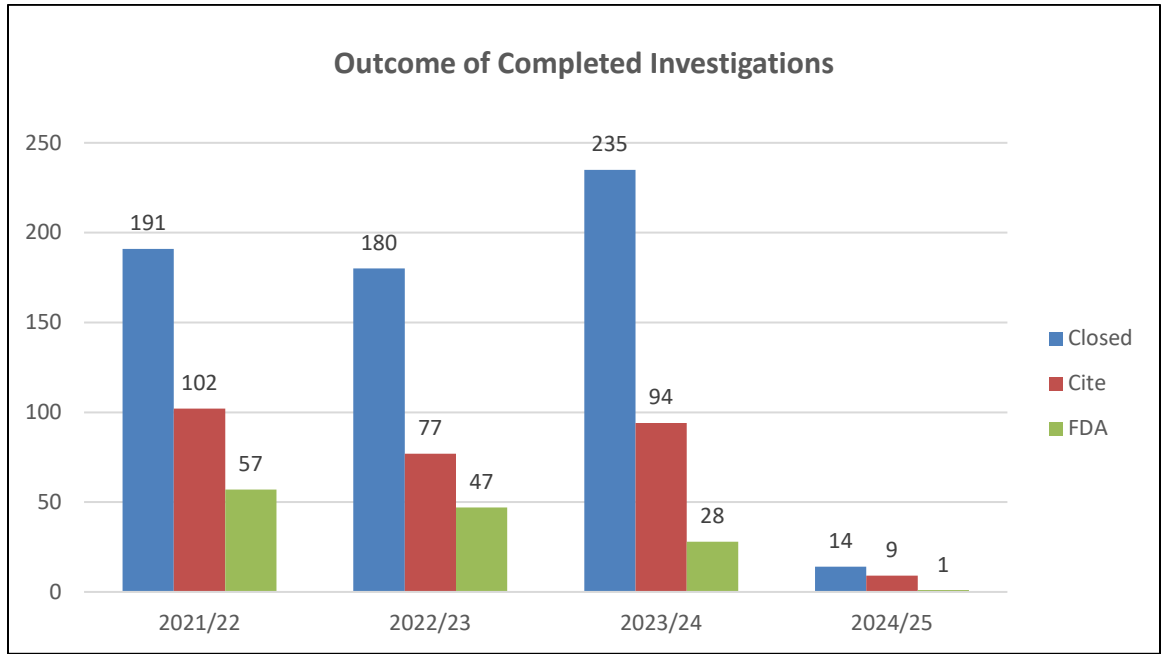


## Complaint Investigation Phase

### Aging of Open (Pending) Complaint Investigation Cases – 12-Month Cycle



# Complaint Investigation Phase



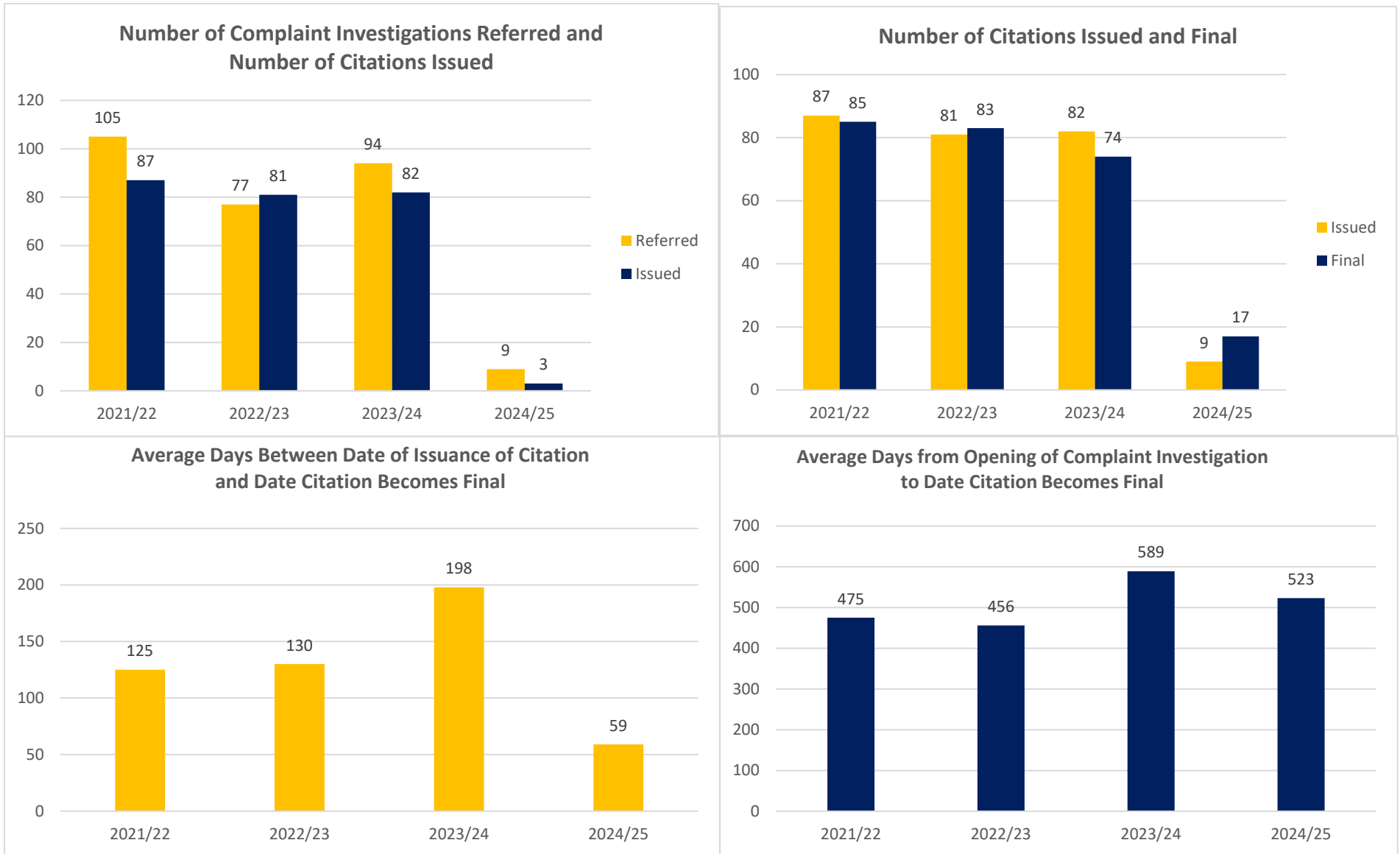
**NOTE: FY24/25 statistics are through July 31, 2024**

Closed = Closed with No Action Taken, includes No Violation/Insufficient Evidence; Compliance Obtained; Warning Letter; Other Reason for Closing Without Action (e.g., subject deceased); Resolved After Initial Notification; Referred to District Attorney with Request to File Criminal Charges; and Mediated.

Cite = Referred for Issuance of Citation

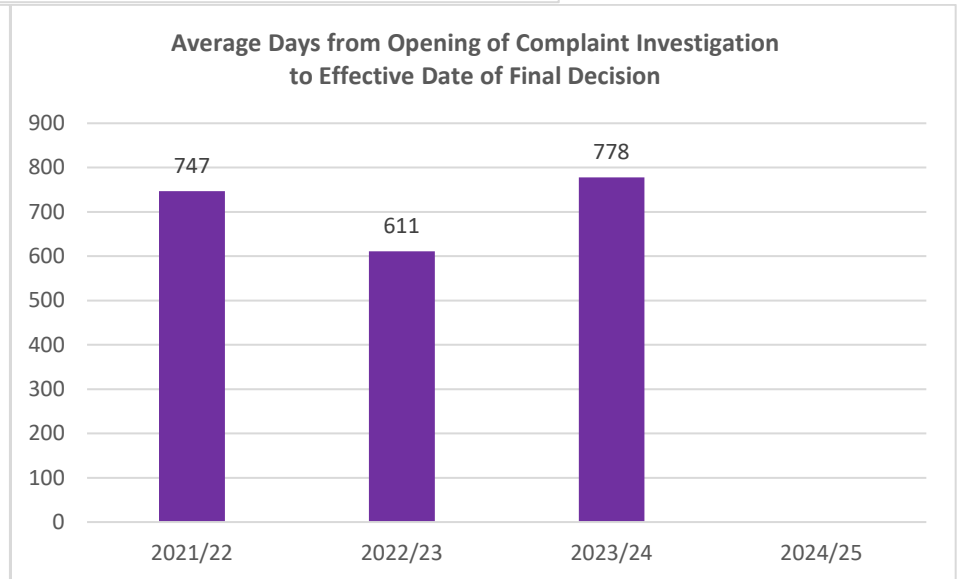
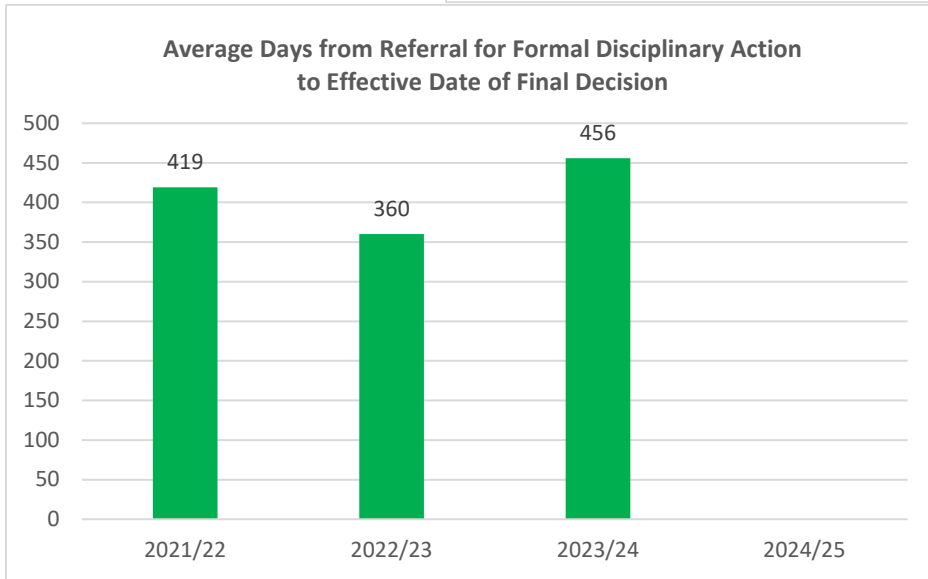
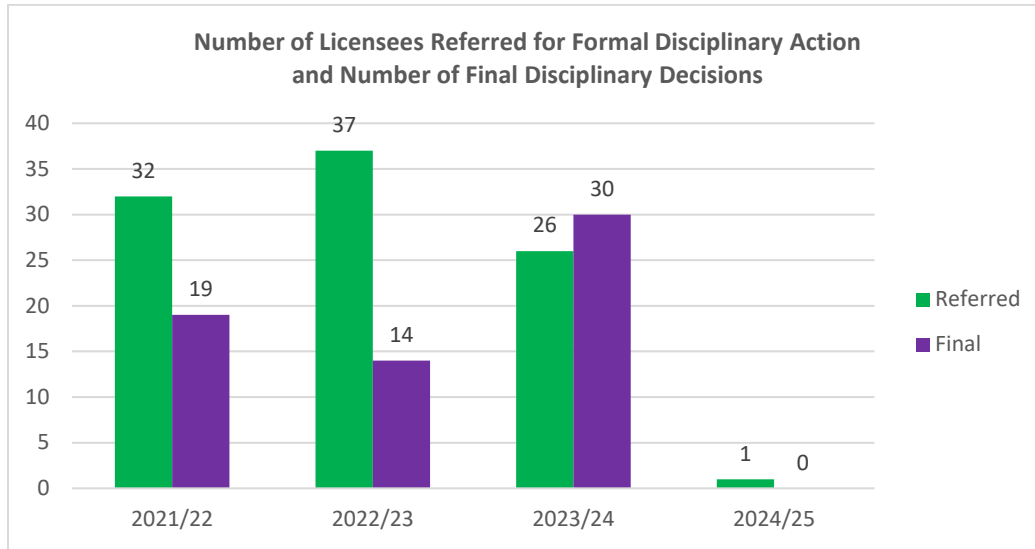
FDA = Referred for Formal Disciplinary Action

## Citations (Informal Enforcement Actions)



**NOTE: FY24/25 statistics are through July 31, 2024**

# Formal Disciplinary Actions Against Licensees



**NOTE: FY24/25 statistics are through July 31, 2024**

## Complaint Investigation Phase

### Number of Complaint Investigations Opened & Completed by Month 12-Month Cycle

Month	Complaint Investigations Opened	Complaint Investigations Completed
July 2024	39	24
August 2024		
September 2024		
October 2024		
November 2024		
December 2024		
January 2025		
February 2025		
March 2025		
April 2025		
May 2025		
June 2025		

### Complaint Investigations Opened and Completed Total by Fiscal Year

Fiscal Year	Complaint Investigations Opened	Complaint Investigations Completed
2021/22	364	375
2022/23	387	304
2023/24	351	357
2024/25	39	24

Current Fiscal Year through July 31, 2024

### Number of Open (Pending) Complaint Investigations (at end of FY or month for current FY)

Fiscal Year	Number of Open (Pending) Complaint Investigations
2021/22	268
2022/23	352
2023/24	339
2024/25	340

Current Fiscal Year through July 31, 2024

### Average Days from Opening of Complaint Investigation to Completion of Investigation (at end of FY or month for current FY)

Fiscal Year	Average Days
2021/22	278
2022/23	285
2023/24	332
2024/25	353

Current Fiscal Year through July 31, 2024

## Complaint Investigation Phase

### Outcome of Completed Investigations

Fiscal Year	# Closed	% Closed	# Cite	% Cite	# FDA	% FDA
2021/22	191	55%	102	29%	57	16%
2022/23	180	59%	77	25%	47	16%
2023/24	235	66%	94	26%	28	8%
2024/25	14	58%	9	38%	1	4%

Current Fiscal Year through July 31, 2024

Closed = Closed with No Action Taken, includes No Violation/Insufficient Evidence; Compliance Obtained; Warning Letter; Other Reason for Closing Without Action (e.g., subject deceased); Resolved After Initial Notification; Referred to District Attorney with Request to File Criminal Charges; and Mediated.

Cite = Referred for Issuance of Citation

FDA = Referred for Formal Disciplinary Action

### Aging of Open (Pending) Complaint Investigation Cases 12-Month Cycle

Month	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	181-270 Days	271-365 Days	1-2 Years	2-3 Years	3-4 Years
August 2023	39	26	43	55	45	55	36	62	7	0
September 2023	25	37	24	41	89	45	33	73	5	0
October 2023	33	25	36	21	87	62	55	63	8	0
November 2023	15	33	25	36	58	90	39	62	10	0
December 2023	24	10	38	24	26	114	37	61	12	1
January 2024	32	24	8	34	42	77	56	56	14	1
February 2024	35	31	24	9	50	61	75	51	10	1
March 2024	27	19	38	21	37	64	74	70	11	1
April 2024	26	14	34	29	32	67	71	66	7	1
May 2024	39	26	12	32	47	46	51	86	7	0
June 2024	33	38	24	12	58	40	39	89	6	0
July 2024	23	33	37	24	40	46	40	91	6	0

## Citations (Informal Enforcement Actions)

### Number of Complaint Investigations Referred and Number of Citations Issued

Fiscal Year	Complaint Investigations Referred for Issuance of Citation	Citations Issued
2021/22	105	87
2022/23	77	81
2023/24	94	82
2024/25	9	3

Current Fiscal Year through July 31, 2024

### Number of Citations Issued and Final

Fiscal Year	Issued	Final
2021/22	87	85
2022/23	81	83
2023/24	82	74
2024/25	9	17

Current Fiscal Year through July 31, 2024

### Average Days Between Date of Issuance of Citation and Date Citation Becomes Final

Fiscal Year	Number of Days
2021/22	125
2022/23	130
2023/24	198
2024/25	59

Current Fiscal Year through July 31, 2024

### Average Days from Opening of Complaint Investigation to Date Citation Becomes Final

Fiscal Year	Number of Days
2021/22	475
2022/23	456
2023/24	589
2024/25	523

Current Fiscal Year through July 31, 2024

## Formal Disciplinary Actions Against Licensees

### Number of Licensees Referred for Formal Disciplinary Action and Number of Final Disciplinary Decisions

Fiscal Year	Number of Licensees Referred for Formal Disciplinary Action	Number of Final Disciplinary Decisions
2021/22	32	19
2022/23	37	14
2023/24	26	30
2024/25	1	0

Current Fiscal Year through July 31, 2024

### Average Days from Referral for Formal Disciplinary Action to Effective Date of Final Decision

Fiscal Year	Number of Days
2021/22	419
2022/23	360
2023/24	456
2024/25	N/A

Current Fiscal Year through July 31, 2024

### Average Days from Opening of Complaint Investigation to Effective Date of Final Decision

Fiscal Year	Number of Days
2021/22	747
2022/23	611
2023/24	778
2024/25	N/A

Current Fiscal Year through July 31, 2024



## **VII. Exams/Licensing**

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A. Examination/Licensing Updates

B. 2024 Exams – First and Second Quarter Examination Results



# 2024 Exam Results Statistics

## 2024-California State Specific Civil Engineer Examination Results

First Quarter 2024			
Civil Engineer - Seismic Principles			
	Total Number of Candidates	Number Passed	Pass %
January	151	71	47%
February	184	81	44%
March	316	120	38%
<b>Total</b>	<b>651</b>	<b>272</b>	<b>42%</b>
Civil Engineer - Engineering Surveying			
	Total Number of Candidates	Number Passed	Pass %
January	197	154	78%
February	234	165	71%
March	324	217	67%
<b>Total</b>	<b>755</b>	<b>536</b>	<b>71%</b>

Second Quarter 2024			
Civil Engineer - Seismic Principles			
	Total Number of Candidates	Number Passed	Pass %
April	293	162	55%
May	307	156	51%
June	326	132	40%
<b>Total</b>	<b>926</b>	<b>450</b>	<b>49%</b>
Civil Engineer - Engineering Surveying			
	Total Number of Candidates	Number Passed	Pass %
April	306	220	72%
May	248	168	68%
June	298	173	58%
<b>Total</b>	<b>852</b>	<b>561</b>	<b>66%</b>

First and Second Quarter 2024 Totals			
Civil Engineer - Seismic Principles			
	Total Number of Candidates	Number Passed	Pass %
<b>Total</b>	<b>1577</b>	<b>722</b>	<b>46%</b>
Civil Engineer - Engineering Surveying			
	Total Number of Candidates	Number Passed	Pass %
<b>Total</b>	<b>1607</b>	<b>1097</b>	<b>68%</b>

# 2024 Exam Results Statistics

## 2024-California State Specific Exams

California Land Surveyor			
	Total Number of Candidates	Number Passed	Pass %
Spring	155	69	45%

Traffic Engineer			
	Total Number of Candidates	Number Passed	Pass %
Spring	N/A	N/A	N/A

Geotechnical Engineer			
	Total Number of Candidates	Number Passed	Pass %
Spring	N/A	N/A	N/A

Professional Geologist California Specific Exam			
	Total Number of Candidates	Number Passed	Pass %
Spring	111	44	40%

Certified Engineering Geologist			
	Total Number of Candidates	Number Passed	Pass %
Spring	N/A	N/A	N/A

Certified Hydrogeologist			
	Total Number of Candidates	Number Passed	Pass %
Spring	N/A	N/A	N/A

Professional Geophysicist			
	Total Number of Candidates	Number Passed	Pass %
Spring	N/A	N/A	N/A

## 2024-Geology ASBOG Exams

Fundamentals of Geology			
	Total Number of Candidates	Number Passed	Pass %
Spring	148	95	64%

Practice of Geology			
	Total Number of Candidates	Number Passed	Pass %
Spring	58	41	71%

## 2024 Exam Results Statistics

2024 - NCEES Engineering and Land Surveying National Exams  
Computer-Based Exams (CBT)-California Candidates  
January - June 2024

	Total Number of Candidates	Number Passed	Pass %
Agricultural Engineer	N/A	N/A	N/A
Chemical Engineer	35	13	37
Civil Engineer	1547	757	49
Control Systems Engineer	19	12	63
Electrical Engineer	238	117	49
Fire Protection Engineer	53	43	81
Fundamentals of Engineering	2,885	1,392	48
Fundamentals of Surveying	161	70	43
Industrial Engineer	N/A	N/A	N/A
Mechanical Engineer	200	123	62
Metallurgical Engineer	N/A	N/A	N/A
Nuclear Engineer	N/A	N/A	N/A
Petroleum Engineer	N/A	N/A	n/a
Practice of Surveying	103	52	50
Structural Engineer - Vertical	81	52	64
Structural Engineer - Lateral	44	19	43

# Examination Statistics

(State Specific and ASBOG Examinations)

NCEES examination statistics are available on the NCEES website at: <https://ncees.org/>

## Civil Seismic Principles

Exam Cycle	Tested	Passed	Pass %
Q1 2018	No exams administered		
Q2 2018	1341	556	41
Q3 2018	513	225	44
Q4 2018	802	347	43
<b>Total 2018</b>	<b>2656</b>	<b>1128</b>	<b>42</b>
Q1 2019	593	283	48
Q2 2019	801	405	51
Q3 2019	715	341	48
Q4 2019	818	398	49
<b>Total 2019</b>	<b>2927</b>	<b>1427</b>	<b>49</b>
Q1 2020	319	177	55
Q2 2020	No exams administered		
Q3 2020	715	476	67
Q4 2020	713	369	52
<b>Total 2020</b>	<b>1747</b>	<b>1022</b>	<b>59</b>
Q1 2021	238	166	70
Q2 2021	941	482	51
Q3 2021	511	255	50
Q4 2021	625	283	45
<b>Total 2021</b>	<b>2315</b>	<b>1186</b>	<b>51</b>
Q1 2022	427	215	50
Q2 2022	628	322	51
Q3 2022	559	274	49
Q4 2022	610	321	53
<b>Total 2022</b>	<b>2224</b>	<b>1132</b>	<b>51</b>
Q1 2023	579	313	54
Q2 2023	692	342	49
Q3 2023	500	245	49
Q4 2023	730	356	49
<b>Total 2023</b>	<b>2501</b>	<b>1256</b>	<b>50</b>
Q1 2024	651	272	42
Q2 2024	926	450	49
Q3 2024			
Q4 2024			
<b>Total 2024</b>			

## Civil Engineering Surveying

Exam Cycle	Tested	Passed	Pass %
Q1 2018	No exams administered		
Q2 2018	1254	485	39
Q3 2018	513	224	44
Q4 2018	839	383	46
<b>Total 2018</b>	<b>2606</b>	<b>1092</b>	<b>42</b>
Q1 2019	553	251	45
Q2 2019	823	385	47
Q3 2019	695	304	44
Q4 2019	814	386	47
<b>Total 2019</b>	<b>2885</b>	<b>1326</b>	<b>46</b>
Q1 2020	420	232	55
Q2 2020	No exams administered		
Q3 2020	747	438	59
Q4 2020	713	332	47
<b>Total 2020</b>	<b>1880</b>	<b>1002</b>	<b>53</b>
Q1 2021	303	207	68
Q2 2021	1004	468	47
Q3 2021	522	274	52
Q4 2021	665	327	49
<b>Total 2021</b>	<b>2494</b>	<b>1276</b>	<b>51</b>
Q1 2022	421	224	53
Q2 2022	615	290	47
Q3 2022	526	267	51
Q4 2022	565	306	54
<b>Total 2022</b>	<b>2127</b>	<b>1087</b>	<b>51</b>
Q1 2023	588	325	55
Q2 2023	651	352	54
Q3 2023	476	245	51
Q4 2023	663	325	49
<b>Total 2023</b>	<b>2378</b>	<b>1247</b>	<b>52</b>
Q1 2024	755	536	71
Q2 2024	852	561	66
Q3 2024			
Q4 2024			
<b>Total 2024</b>			

## CA Professional Land Surveyor

Exam Cycle	Tested	Passed	Pass %
Spring 2018	129	30	23
Fall 2018	93	25	27
<b>Total 2018</b>	<b>222</b>	<b>55</b>	<b>25</b>
Spring 2019	112	40	36
Fall 2019	81	33	41
<b>Total 2019</b>	<b>193</b>	<b>73</b>	<b>38</b>
Spring 2020	No exams administered		
Fall 2020	116	38	33
<b>Total 2020</b>	<b>116</b>	<b>38</b>	<b>33</b>
Spring 2021	85	30	35
Fall 2021	88	27	31
<b>Total 2021</b>	<b>173</b>	<b>57</b>	<b>33</b>
Spring 2022	107	48	45
Fall 2022	148	40	27
<b>Total 2022</b>	<b>255</b>	<b>88</b>	<b>35</b>
Spring 2023	144	68	47
Fall 2023	113	33	29
<b>Total 2023</b>	<b>257</b>	<b>101</b>	<b>39</b>
Spring 2024	155	69	45
Fall 2024			
<b>Total 2024</b>			

## Traffic Engineer

Exam Cycle	Tested	Passed	Pass %
Spring 2018	N/A	N/A	N/A
Fall 2018	77	39	51
<b>Total 2018</b>	<b>77</b>	<b>39</b>	<b>51</b>
Spring 2019	N/A	N/A	N/A
Fall 2019	69	36	52
<b>Total 2019</b>	<b>69</b>	<b>36</b>	<b>52</b>
Spring 2020	N/A	N/A	N/A
Fall 2020	49	31	63
<b>Total 2020</b>	<b>49</b>	<b>31</b>	<b>63</b>
Spring 2021	N/A	N/A	N/A
Fall 2021	60	28	47
<b>Total 2021</b>	<b>60</b>	<b>28</b>	<b>47</b>
Spring 2022	N/A	N/A	N/A
Fall 2022	71	33	46
<b>Total 2022</b>	<b>71</b>	<b>33</b>	<b>46</b>
Spring 2023	N/A	N/A	N/A
Fall 2023	100	62	62
<b>Total 2023</b>	<b>100</b>	<b>62</b>	<b>62</b>
Spring 2024	N/A	N/A	N/A
Fall 2024			
<b>Total 2024</b>			

## Geotechnical Engineer

Exam Cycle	Tested	Passed	Pass %
Spring 2018	39	13	33
Fall 2018	35	7	20
<b>Total 2018</b>	<b>74</b>	<b>20</b>	<b>27</b>
Spring 2019	N/A	N/A	N/A
Fall 2019	78	30	38
<b>Total 2019</b>	<b>78</b>	<b>30</b>	<b>38</b>
Spring 2020	N/A	N/A	N/A
Fall 2020	60	21	35
<b>Total 2020</b>	<b>60</b>	<b>21</b>	<b>35</b>
Spring 2021	N/A	N/A	N/A
Fall 2021	74	26	35
<b>Total 2021</b>	<b>74</b>	<b>26</b>	<b>35</b>
Spring 2022	N/A	N/A	N/A
Fall 2022	81	22	27
<b>Total 2022</b>	<b>81</b>	<b>22</b>	<b>27</b>
Spring 2023	N/A	N/A	N/A
Fall 2023	106	33	31
<b>Total 2023</b>	<b>106</b>	<b>33</b>	<b>31</b>
Spring 2024	N/A	N/A	N/A
Fall 2024			
<b>Total 2024</b>			

## ASBOG Fundamentals of Geology

Exam Cycle	Tested	Passed	Pass %
Spring 2018	105	75	71
Fall 2018	216	149	69
<b>Total 2018</b>	<b>321</b>	<b>224</b>	<b>70</b>
Spring 2019	153	108	71
Fall 2019	209	136	65
<b>Total 2019</b>	<b>362</b>	<b>244</b>	<b>67</b>
Spring 2020	No exams administered		
Fall 2020	145	112	77
<b>Total 2020</b>	<b>145</b>	<b>112</b>	<b>77</b>
Spring 2021	161	105	65
Fall 2021	132	95	72
<b>Total 2021</b>	<b>293</b>	<b>200</b>	<b>68</b>
Spring 2022	120	88	73
Fall 2022	116	63	54
<b>Total 2022</b>	<b>236</b>	<b>151</b>	<b>64</b>
Spring 2023	142	82	58
Fall 2023	165	107	65
<b>Total 2023</b>	<b>307</b>	<b>189</b>	<b>62</b>
Spring 2024	148	95	64
Fall 2024			
<b>Total 2024</b>			

## ASBOG Practice of Geology

Exam Cycle	Tested	Passed	Pass %
Spring 2018	61	45	74
Fall 2018	105	73	70
<b>Total 2018</b>	<b>166</b>	<b>118</b>	<b>71</b>
Spring 2019	80	61	76
Fall 2019	89	70	79
<b>Total 2019</b>	<b>169</b>	<b>131</b>	<b>78</b>
Spring 2020	No exams administered		
Fall 2020	75	61	81
<b>Total 2020</b>	<b>75</b>	<b>61</b>	<b>81</b>
Spring 2021	95	69	73
Fall 2021	91	74	81
<b>Total 2021</b>	<b>186</b>	<b>143</b>	<b>77</b>
Spring 2022	90	74	82
Fall 2022	82	62	76
<b>Total 2022</b>	<b>172</b>	<b>136</b>	<b>79</b>
Spring 2023	74	57	77
Fall 2023	71	60	85
<b>Total 2023</b>	<b>145</b>	<b>117</b>	<b>81</b>
Spring 2024	58	41	71
Fall 2024			
<b>Total 2024</b>			

## Geologist California Specific

Exam Cycle	Tested	Passed	Pass %
Spring 2018	102	47	46
Fall 2018	137	69	50
<b>Total 2018</b>	<b>239</b>	<b>116</b>	<b>49</b>
Spring 2019	116	56	48
Fall 2019	139	44	32
<b>Total 2019</b>	<b>255</b>	<b>100</b>	<b>39</b>
Spring 2020	150	74	49
Fall 2020	79	40	51
<b>Total 2020</b>	<b>229</b>	<b>114</b>	<b>50</b>
Spring 2021	106	47	44
Fall 2021	133	60	45
<b>Total 2021</b>	<b>239</b>	<b>107</b>	<b>45</b>
Spring 2022	128	58	45
Fall 2022	145	67	46
<b>Total 2022</b>	<b>273</b>	<b>125</b>	<b>46</b>
Spring 2023	129	50	39
Fall 2023	148	70	47
<b>Total 2023</b>	<b>277</b>	<b>120</b>	<b>43</b>
Spring 2024	111	44	40
Fall 2024			
<b>Total 2024</b>			

## Certified Engineering Geologist

Exam Cycle	Tested	Passed	Pass %
Spring 2018	N/A	N/A	N/A
Fall 2018	45	24	53
<b>Total 2018</b>	<b>45</b>	<b>24</b>	<b>53</b>
Spring 2019	N/A	N/A	N/A
Fall 2019	40	29	73
<b>Total 2019</b>	<b>40</b>	<b>29</b>	<b>73</b>
Spring 2020	N/A	N/A	N/A
Fall 2020	17	11	65
<b>Total 2020</b>	<b>17</b>	<b>11</b>	<b>65</b>
Spring 2021	N/A	N/A	N/A
Fall 2021	39	20	51
<b>Total 2021</b>	<b>39</b>	<b>20</b>	<b>51</b>
Spring 2022	N/A	N/A	N/A
Fall 2022	31	13	42
<b>Total 2022</b>	<b>31</b>	<b>13</b>	<b>42</b>
Spring 2023	N/A	N/A	N/A
Fall 2023	39	13	33
<b>Total 2023</b>	<b>39</b>	<b>13</b>	<b>33</b>
Spring 2024	N/A	N/A	N/A
Fall 2024			
<b>Total 2024</b>			

## Certified Hydrogeologist

Exam Cycle	Tested	Passed	Pass %
Spring 2018	N/A	N/A	N/A
Fall 2018	33	22	67
<b>Total 2018</b>	<b>33</b>	<b>22</b>	<b>67</b>
Spring 2019	N/A	N/A	N/A
Fall 2019	18	11	61
<b>Total 2019</b>	<b>18</b>	<b>11</b>	<b>61</b>
Spring 2020	N/A	N/A	N/A
Fall 2020	14	9	64
<b>Total 2020</b>	<b>14</b>	<b>9</b>	<b>64</b>
Spring 2021	N/A	N/A	N/A
Fall 2021	18	10	56
<b>Total 2021</b>	<b>18</b>	<b>10</b>	<b>56</b>
Spring 2022	N/A	N/A	N/A
Fall 2022	24	10	42
<b>Total 2022</b>	<b>24</b>	<b>10</b>	<b>42</b>
Spring 2023	N/A	N/A</	

## VIII. Legislation

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- A. 2024 Legislative Calendar
- B. Discussion of Legislation for 2024 (**Possible Action**)
  - 1. Assembly Bill (AB) 1862 - Engineering, land surveying, and architecture: limited liability partnerships.
  - 2. AB 2862 - Licenses: African American applicants.
  - 3. AB 3176 - Professional land surveyors: surveying practices: monuments and corner accessories.
  - 4. AB 3253 - Board for Professional Engineers, Land Surveyors, and Geologists: licensees





**2024 TENTATIVE LEGISLATIVE CALENDAR**

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF  
CLERK Revised 11/4/22

**DEADLINES**

JANUARY						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- Jan. 1** Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3** **Legislature Reconvenes** (J.R. 51(a)(4)).
- Jan. 10** Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 12** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the **odd-numbered year** (J.R. 61(b)(1)).
- Jan. 15** Martin Luther King, Jr. Day.
- Jan. 19** Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year (J.R. 61(b)(2)).  
  
Last day to **submit bill requests** to the Office of Legislative Counsel.
- Jan. 31** Last day for each house to **pass bills introduced** in that house in the odd-numbered year (J.R. 61(b)(3), (Art. IV, Sec. 10(c)).

FEBRUARY						
S	M	T	W	TH	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

- Feb. 16** Last day for bills to be **introduced** (J.R. 61(b)(4), (J.R. 54(a)).
- Feb. 19** Presidents' Day.

MARCH						
S	M	T	W	TH	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

- Mar. 21** **Spring Recess** begins upon adjournment of this day's session (J.R. 51(b)(1)).
- Mar. 29** Cesar Chavez Day observed.

APRIL						
S	M	T	W	TH	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

- Apr. 1** Legislature Reconvenes from **Spring Recess** (J.R. 51(b)(1)).
- Apr. 26** Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house (J.R. 61(b)(5)).

MAY						
S	M	T	W	TH	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- May 3** Last day for **policy committees** to hear and report to the floor **non-fiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 10** Last day for **policy committees** to meet prior to May 28 (J.R. 61(b)(7)).
- May 17** Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61(b)(8)).  
  
Last day for **fiscal committees** to meet prior to May 28 (J.R. 61(b)(9)).
- May 20- 24 Floor Session only.** No committees, other than conference or Rules committees, may meet for any purpose (J.R. 61 (b)(10)).
- May 24** Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- May 27** Memorial Day.
- May 28** Committee meetings may resume (J.R. 61(b)(12)).

\*Holiday schedule subject to Senate Rules committee approval

**2024 TENTATIVE LEGISLATIVE CALENDAR**

COMPILED BY THE OFFICE OF THE SECRETARY OF THE SENATE AND THE OFFICE OF THE ASSEMBLY CHIEF  
CLERK Revised 11/4/22

JUNE						
S	M	T	W	TH	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	<u>15</u>
16	17	18	19	20	21	22
23	24	25	26	<b>27</b>	28	29
30						

**June 15** Budget Bill must be passed by **midnight** (Art. IV, Sec. 12(c)(3)).

**June 27** Last day for a legislative measure to qualify for the Nov. 5 General Election ballot (Elections Code Sec. 9040).

JULY						
S	M	T	W	TH	F	S
	1	2	<b>3</b>	<b>4</b>	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

**July 3** Last day for **policy committees** to meet and report bills (J.R. 61(b)(13)).

**Summer Recess** begins upon adjournment provided Budget Bill has been passed (J.R. 51(b)(2)).

**July 4** Independence Day.

AUGUST						
S	M	T	W	TH	F	S
				1	2	3
4	<b>5</b>	6	7	8	9	10
11	12	13	14	15	<u>16</u>	17
18	<u>19</u>	20	21	22	<u>23</u>	24
25	26	27	28	29	30	<u>31</u>

**Aug. 5** Legislature Reconvenes from **Summer Recess** (J.R. 51(b)(2)).

**Aug. 16** Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(14)).

**Aug. 19-31 Floor Session only.** No committees, other than conference and Rules committees, may meet for any purpose (J.R. 61(b)(15)).

**Aug. 23** Last day to **amend** on the floor (J.R. 61(b)(16)).

**Aug. 31** Last day for **each house to pass bills.** (Art. IV, Sec. 10(c), J.R. 61(b)(17)).

**Final Recess** begins upon adjournment (J.R. 51(b)(3)).

\*Holiday schedule subject to Senate Rules committee approval

**IMPORTANT DATES OCCURRING DURING FINAL STUDY RECESS**

**2024**

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor’s possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).

Nov. 5 General Election

Nov. 30 Adjournment *Sine Die* at midnight (Art. IV, Sec. 3(a)).

Dec. 2 12 Noon convening of the 2025-26 Regular Session (Art. IV, Sec. 3(a)).

**2025**

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

**AB 1862 (Chen, D-Orange)**  
**Engineering, land surveying, and architecture: limited liability partnerships.**

**Status/History:** 8/06/2024 – Ordered to Consent Calendar (Senate Appropriations)

**Location:** 6/17/2024 – Senate Committee on Business, Professions and Economic Development and Senate Judiciary Committee

**Introduced:** 1/18/2024

**Amended:** 6/28/2024 (JUD)

**Board Position:** Support (as of March 7, 2024)

**Board Staff Analysis:** 8/12/2024

**Bill Summary:** Existing law (Business and Professions Code sections 6738 and 8729) authorizes engineers and land surveyors to offer their services through certain types of business entities if specific requirements are met. Currently, a Limited Liability Partnership (LLP) is one of the business entities allowed; however, the laws include a sunset date of January 1, 2026, for LLPs. This bill would eliminate the sunset date.

**Affected Laws:** An act to amend and repeal Sections 6738 and 8729 of the Business and Professions Code, to amend Sections 8, 174.5, 5063.5, 12242.5, and 16403 of, and to amend and repeal Sections 16101, 16956, and 16959 of, the Corporations Code, relating to limited liability partnerships.

**Staff Comment:** Assembly Bill (AB) 1682 will indefinitely extend the authority for engineers and land surveyors to operate within their scope of licensure while conducting business as a limited liability partnership and to be designated as a registered limited liability partnership, something that they have been authorized to do since 2010.

This bill is sponsored by American Council of Engineering Companies – California (ACEC-CA). They sponsored the original bill and subsequent bills that extended the sunset date. In 2018, ACEC-CA sponsored legislation (Senate Bill [SB] 920) that would have eliminated the sunset date. However, the sunset date was added back in (and extended) when the bill was heard by the Senate Judiciary Committee. The Board had a position of “Support” on SB 920.

The Board’s Enforcement Unit has not received any complaints from consumers relating to engineers or land surveyors offering their services through an LLP. As such, Board staff recommends the Board take a position of “Support” on AB 1682.

Board staff sent the authors and Assembly Business & Professions Committee Chair a letter of Support on March 21, 2024.

**6/17/2024 Update:** Amendments from Assembly floor were minor and related to author and dollar amount for security amounts.

**8/12/2024 Update:** Amendments from Senate Judiciary Committee added sunset date of January 1, 2034.

**Staff Recommendation:** Staff recommends the Board take a position of “Watch” on AB 1862, as amended June 28, 2024.

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 1862 (Chen)  
Version: May 9, 2024  
Hearing Date: July 2, 2024  
Fiscal: Yes  
Urgency: No  
AWM

**SUBJECT**

Engineering, land surveying, and architecture: limited liability partnerships

**DIGEST**

This bill removes the sunset on provisions authorizing licensed engineers, land surveyors, and architects to form limited liability partnerships (LLPs).

**EXECUTIVE SUMMARY**

Although entities – such as corporations and LLPs – are treated as legal persons in many contexts, the state has placed limits on when, and under what conditions, licensed professionals may render their services as an LLP. These limits are intended to ensure that the LLP structure – which, as the name suggests, limits the partners’ liability – is not used to prevent a person injured by the LLP from collecting on the judgment. Among other things, an LLP must maintain insurance policies or self-insure for damages against it, up to a certain amount based on the size of the partnership. Current law authorizes licensed architects, engineers, and land surveyors to form and operate as LLPs, subject to a January 1, 2026, sunset.

This bill would eliminate the January 1, 2026, sunset entirely. The author has agreed, however, to amend the bill to instead extend the sunset to January 1, 2034.

This bill is sponsored by the American Council of Engineering Companies of California and is supported by the American Institute of Architects, California, the American Society of Civil Engineers, Region 9, Associated General Contractors, the California Builders Alliance, the California Geotechnical Engineering Association, the California Land Surveyors Association, Sacramento Regional Builders Exchange, and the Structural Engineers Association of California. The Committee has not received timely opposition to this bill. The Senate Business, Professions and Economic Development Committee passed this bill with a vote of 12-0.

## PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the Professional Engineers Act, which governs the profession and licensing of civil engineers, electrical engineers, and mechanical engineers. (Bus. & Prof. Code, div. 3, ch. 1, §§ 6700 et seq.)
- 2) Permits one or more civil, electrical, or mechanical engineers to practice or offer to practice, within the scope of their licensure, civil, electrical, or mechanical engineering as a sole proprietorship, partnership, LLP, firm, or corporation, if all of the following conditions are met:
  - a) A civil, electrical, or mechanical engineer currently licensed in this state is an owner, partner, or officer in charge of the engineering practice of the business.
  - b) All civil, electrical, or mechanical engineering services are performed by, or under the responsible charge of, a professional engineer licensed in the appropriate branch of professional engineering.
  - c) If the business name contains the name of any person, that person is licensed as a professional engineer, a licensed land surveyor, a licensed architect, or a geologist, as specified. (Bus. & Prof. Code, § 6739(a).)
- 3) Permits an out-of-state business to operate with a branch office in this state if it meets the requirements of 1) and has an owner, partner, or officer who is in charge of the engineering work in the branch in this state, and who is physically present at the branch office on a regular basis. (Bus. & Prof. Code, § 6739(b).)
- 4) Provides that the provisions in 2) and 3) authorizing professional engineers to operate as an LLP sunset on January 1, 2026. (Bus. & Prof. Code, § 6739(i).)
- 5) Establishes the Professional Land Surveyors' Act, which governs the profession and licensing of professional land surveyors. (Bus. & Prof. Code, div. 3, ch. 15, §§ 8700 et seq.)
- 6) Permits one or more licensed land surveyors, or civil engineers licensed in the state before 1982, to practice or offer to practice, within the scope of their licensure, land surveying as a sole proprietorship, partnership, LLP, firm, or corporation, if all of the following conditions are met:
  - a) A land surveyor currently licensed in this state is an owner, partner, or officer in charge of the land surveying practice of the business.
  - b) All land surveying services are performed by, or under the responsible charge of, a land surveyor.

- c) If the business name contains the name of any person, that person is licensed as a land surveyor, a licensed land surveyor, as specified. (Bus. & Prof. Code, § 8729(a).)
- 7) Permits an out-of-state business to operate with a branch office in this state if it meets the requirements of 1) and has an owner, partner, or officer who is in charge of the land surveying work in the branch in this state, and who is physically present at the branch office on a regular basis. (Bus. & Prof. Code, § 8729(b).)
- 8) Provides that the provisions in 6) and 7) authorizing land surveyors to operate as an LLP sunset on January 1, 2026. (Bus. & Prof. Code, § 8729(i).)
- 9) Establishes the Uniform Partnership Act of 1994, which governs partnerships, including LLPs and foreign LLPs, engaging in business in the state. (Corp. Code, tit. 2, ch. 5, §§ 16100 et seq.)
- 10) Defines the following relevant terms:
  - a) “Foreign limited liability partnership” means a partnership, other than a limited partnership, formed under the laws of another jurisdiction, as specified. (Corp. Code, § 16101(a)(6).)
  - b) “Registered limited liability partnership” means a partnership, other than a limited partnership, formed by an agreement and is licensed under the laws of this state to engage in the practice of architecture, the practice of public accountancy, the practice of engineering, the practice of land surveying, or the practice of law, as specified. (Corp. Code, § 16101(a)(8).)
  - c) “Professional limited liability partnership services” means the practice of architecture, the practice of public accountancy, the practice of engineering, the practice of land surveying, or the practice of law. (Corp. Code, § 16101(a)(14).)
- 11) Provides that no registered LLP or foreign LLP may render professional limited liability partnership services except through licensed persons. (Corp. Code, § 16951.)
- 12) Establishes procedures by which a partnership can file a registration with the Secretary of State to become a registered partnership. (Corp. Code, § 16953.)
- 13) Requires a registered LLP or a foreign LLP to provide security for claims based on acts, errors, or omissions arising out of the practice architecture through one or a combination of the following:
  - a) Maintaining insurance policies against liability imposed on it or against it by law for damages arising out of claims; a partnership with five or fewer licensees shall not be less than \$1 million and a partnership with more than five licensees shall maintain an additional \$100,000 of coverage for each additional licensee, up to \$5 million.

- b) Maintaining in trust or bank escrow cash or specified securities in the same amounts as set forth in 13)(a). (Corp. Code, § 16956(a)(3).
- 14) Provides that each partner of a registered or foreign LLP architecture services, by virtue of that person's status as a partner, thereby automatically guarantees payment of the difference between the maximum amount of security required for the partnership under 13) and the amount actually provided; this requirement is deemed to be met if the partnership has a net worth of equal to or exceeding \$10 million. (Corp. Code, § 16956(a)(3).)
- 15) Requires a registered LLP or a foreign LLP to provide security for claims based on acts, errors, or omissions arising out of the practice of engineering or the practice of land surveying through one or a combination of the following:
- a) Maintaining insurance policies against liability imposed on it or against it by law for damages arising out of claims; a partnership with five or fewer licensees shall not be less than \$2 million and a partnership with more than five licensees shall maintain an additional \$100,000 of coverage for each additional licensee, up to \$5 million.
  - b) Maintaining in trust or bank escrow cash or specified securities in the same amounts as set forth in 15)(a). (Corp. Code, § 16956(a)(4).)
- 16) Provides that each partner of a registered or foreign LLP providing architecture, engineering or land surveying services, by virtue of that person's status as a partner, thereby automatically guarantees payment of the difference between the maximum amount of security required for the partnership under 15) and the amount actually provided; this requirement is deemed to be met if the partnership has a net worth of equal to, or exceeding, \$10 million. (Corp. Code, § 16956(a)(4).)
- 17) Provides that 13)-17) sunset on January 1, 2026. (Corp. Code, § 16956(f).)

This bill:

- 1) Eliminates the January 1, 2026, sunset provisions authorizing persons licensed to engage in the practice of engineering, land surveying, or architecture to form registered LLPs and foreign LLPs and the sunset provisions on the related security requirements.

## COMMENTS

### 1. Author's comment

According to the author:

AB 1862 provides greater stability to the engineering, land surveying, and architectural firms that are indispensable in creating and maintaining California's infrastructure.

### 2. The legislative history of permitting engineers, land surveyors, and architects to form LLPs

Although entities – such as corporations and LLPs – are treated as legal persons in many contexts, the state has placed limits on when, and under what conditions, licensed professionals may render their services as an LLP.<sup>1</sup> These limits are intended to ensure that the LLP structure – which, as the name suggests, limits the partners' liability – is not used to prevent a person injured by the LLP from collecting on the judgment. Among other things, an LLP must maintain insurance policies or self-insure for damages against it, up to a certain amount based on the size of the partnership.<sup>2</sup>

Architects have been able to form LLPs since 1999,<sup>3</sup> and engineers and land surveyors have been able to form LLPs since 2011.<sup>4</sup> Currently, architecture LLPs with up to five licensees must insure for up to \$1,000,000 in damages, which increases by \$100,000 per additional licensee, up to a maximum of \$5,000,000 in coverage.<sup>5</sup> Engineering and land surveying LLPs with up to five licensees must insure for up to \$2,000,000 in damages, which increases by \$100,000 per additional licensee, up to a maximum of \$5,000,000 in coverage.<sup>6</sup> These amounts were last increased in 2010.<sup>7</sup>

The bills authorizing the creation of architecture, engineering, and land surveying LLPs initially included sunsets, and the Legislature has extended the sunsets many times.<sup>8</sup> As this Committee noted in its analysis of SB 920 (Cannella, Ch. 150, Stats. 2018), the most recent bill extending the sunset on the statutes authorizing architects, engineers, and land surveyors to operate as LLPs, there is an "ongoing policy question" regarding "whether the required insurance minimums are adequately meeting the underlying

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<sup>1</sup> See, e.g., Bus. & Prof. Code, §§ 6739, 8729; Corp. Code, §§ 16956, 16969.

<sup>2</sup> Corp. Code, §§ 16956, 16969.

<sup>3</sup> AB 469 (Cardoza, Ch. 504, Stats. 1998).

<sup>4</sup> SB 1008 (Padilla, Ch. 634, Stats. 2010).

<sup>5</sup> *Id.*, § 16956(a)(3).

<sup>6</sup> *Id.*, § 16956(a)(4).

<sup>7</sup> See SB 1008 (Padilla, Ch. 634, Stats. 2010).

<sup>8</sup> See "Prior legislation," *infra*.



goal of providing the ability for persons injured by an LLP to recover based on their claim.”<sup>9</sup>

### 3. This bill eliminates the sunset on the statutes permitting architects, engineers, and land surveyors to operate as LLPs

As currently in print, this bill eliminates entirely the provisions permitting architects, engineers, and land surveyors to operate as LLPs. As discussed above, however, part of the function of these sunset provisions is to allow the Legislature ongoing oversight into the effectiveness of the insurance requirement, including whether the amount of the requirement is still appropriate. Given that the insurance requirement has not been increased since 2010, removing the sunset and depriving the Legislature of further opportunities for review seems particularly premature. As a result, the author has agreed to amend the bill to instead extend the sunset until January 1, 2034.

### 4. Amendments

As noted above, the author has agreed, in lieu of eliminating the sunset on the provisions authorizing architects, engineers, and land surveyors to operate as LLPs, to instead extend the existing January 1, 2026, sunset until January 1, 2034.

### 5. Arguments in support

According to a coalition of the bill’s supporters, including the sponsor, the American Council of Engineering Companies of California:

LLPs are a hybrid of a corporation and a general partnership, which are attractive to the design professional community as it provides for flexible management structures and operation. Like a general partnership, all partners have equal rights in the management of an LLP and owners must be licensed professionals.

In 1995, legislation was enacted to authorize attorneys and licensed accountants to form LLPs (SB 513, Chapter 679, Statutes of 1995). Partners of LLPs are only personally liable for those torts in which they personally participated, rather than jointly and severally liable for any other torts or debts of the partnership. The enactment of the LLP status for attorneys and accountants conformed California law to the law in 49 other states that permit business organizations to form LLPs. It was a great benefit to national firms to be able to create a parallel business organizational structure in each state.

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<sup>9</sup> Sen. Com. on Judiciary, analysis of Sen. Bill No. 920 (2017-2018 Reg. Sess.) as amended Apr. 2, 2018, p. 6.

In 1998, legislation was enacted to add architects to the LLP statutory framework (AB 469, Chapter 504, Statutes of 1998).

The ability to organize as an LLP is one more simple tool California businesses can employ that allows them to be nimble in our economy.

### **SUPPORT**

American Council of Engineering Companies of California (sponsor)  
American Institute of Architects, California  
American Society of Civil Engineers, Region 9  
Associated General Contractors  
California Builders Alliance  
California Geotechnical Engineering Association  
California Land Surveyors Association  
Sacramento Regional Builders Exchange  
Structural Engineers Association of California

### **OPPOSITION**

None received

### **RELATED LEGISLATION**

Pending Legislation: None known.

Prior Legislation:

SB 920 (Cannella, Ch. 150, Stats. 2018) extended the sunset on the authorization for engineering, land surveying, or architecture licensees to form LLPs or foreign LLPs until January 1, 2026. As introduced, SB 920 would have removed the sunset entirely.

SB 284 (Cannella, Ch. 157, Stats. 2015) extended the sunset on the authorization for licensed engineers and land surveyors to operate as LLPs, from January 1, 2016, to January 1, 2019.

SB 560 (Gorell, Ch. 291, Stats. 2011) extended the sunset for architecture LLPs to January 1, 2019. As introduced, SB 560 would have removed the sunset entirely.

SB 1008 (Padilla, Ch. 634, Stats. 2010) authorized licensed engineers and land surveyors to organize and operate as LLPs, as specified, and required engineers and land surveyors organizing as LLPs to carry insurance liability coverage, as specified. These requirements were subject to a January 1, 2016, sunset.

AB 2914 (Leno, Ch. 426, Stats. 2006) extended the sunset date of architecture LLPs until January 1, 2012, and increased the amount of insurance that such LLPs must hold.

AB 1265 (Benoit, 2003) would have permitted professional engineers and land surveyors to organize as an LLP and would have required that, depending on the number of partners, the LLP have between \$500,000 and \$5 million in insurance. AB 1265 was held in this Committee.

AB 1596 (Shelley, Ch. 595, Stats. 2001) extended, to January 1, 2007, the sunset date for statutes permitting architects to organize as LLPs.

AB 469 (Cardoza, Ch. 504, Stats. 1998) authorized architects to form an LLP, provided the partnership had between \$500,000 and \$5 million in insurance, depending on the number of partners in the LLP, and the partnership had net worth of \$10 million or more. This bill included a January 1, 2002, sunset date.

**PRIOR VOTES:**

Senate Business, Professions and Economic Development Committee (Ayes 12, Noes 0)

Assembly Floor (Ayes 68, Noes 0)

Assembly Appropriations Committee (Ayes 14, Noes 0)

Assembly Business and Professions Committee (Ayes 17, Noes 0)

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AMENDED IN SENATE JULY 3, 2024  
AMENDED IN ASSEMBLY MAY 9, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1862**

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**Introduced by Assembly Member Chen**

January 18, 2024

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An act to amend ~~and repeal~~ Sections 6738 and 8729 of the Business and Professions Code, *and* to amend Sections 8, 174.5, 5063.5, 12242.5, ~~and 16403 of, and to amend and repeal~~ Sections 16101, *16403*, 16956, and 16959 ~~of, of~~ the Corporations Code, relating to limited liability partnerships.

LEGISLATIVE COUNSEL'S DIGEST

AB 1862, as amended, Chen. Engineering, land surveying, and architecture: limited liability partnerships.

Existing law, the Professional Engineers Act and the Professional Land Surveyors' Act, provide for the licensure and regulation of engineers and land surveyors by the Board for Professional Engineers, Land Surveyors, and Geologists. Existing law, the Architects Practice Act, provides for the licensure and regulation of architects by the California Architects Board. Existing law, the Uniform Partnership Act of 1994, authorizes the formation of registered limited liability partnerships and foreign limited liability partnerships, as specified.

Existing law authorizes persons licensed to engage in the practice of engineering, land surveying, or architecture to form registered limited liability partnerships and foreign limited liability partnerships if specified conditions are met. Existing law requires a registered limited liability partnership or foreign limited liability partnership providing

architectural, engineering, or land surveying services to comply with requirements, as specified, for claims based upon acts, errors, or omissions arising out of those services. Existing law repeals these provisions on January 1, 2026.

~~This bill would delete the January 1, 2026, repeal dates of the provisions described above, thereby indefinitely extending the authorization for persons licensed to engage in the practice of engineering, land surveying, or architecture to form limited liability partnerships, as specified, and make conforming changes. extend the operation of the above-described provisions to January 1, 2034, and make conforming changes.~~

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

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

1 SECTION 1. Section 6738 of the Business and Professions  
2 Code, as amended by Section 1 of Chapter 302 of the Statutes of  
3 2022, is amended to read:  
4 6738. (a) This chapter does not prohibit one or more civil,  
5 electrical, or mechanical engineers from practicing or offering to  
6 practice, within the scope of their license, civil (including  
7 geotechnical and structural), electrical, or mechanical engineering  
8 as a sole proprietorship, partnership, limited liability partnership,  
9 firm, or corporation (hereinafter called business), if all of the  
10 following requirements are met:  
11 (1) A civil, electrical, or mechanical engineer currently licensed  
12 in this state is an owner, partner, or officer in charge of the  
13 engineering practice of the business.  
14 (2) All civil, electrical, or mechanical engineering services are  
15 performed by, or under the responsible charge of, a professional  
16 engineer licensed in the appropriate branch of professional  
17 engineering.  
18 (3) If the business name of a California engineering business  
19 contains the name of any person, then that person shall be licensed  
20 as a professional engineer, a licensed land surveyor, a licensed  
21 architect, or a geologist registered under the Geologist and  
22 Geophysicist Act (Chapter 12.5 (commencing with Section 7800)).  
23 Any offer, promotion, or advertisement by the business that  
24 contains the name of any individual in the business, other than by

1 use of the name of an individual in the business name, shall clearly  
2 and specifically designate the license or registration discipline of  
3 each individual named.

4 (b) An out-of-state business with a branch office in this state  
5 shall meet the requirements of subdivision (a) and shall have an  
6 owner, partner, or officer who is in charge of the engineering work  
7 in the branch in this state, who is licensed in this state, and who is  
8 physically present at the branch office in this state on a regular  
9 basis. However, the name of the business may contain the name  
10 of any person not licensed in this state if that person is  
11 appropriately registered or licensed in another state. Any offer,  
12 promotion, or advertisement that contains the name of any  
13 individual in the business, other than by use of the names of the  
14 individuals in the business name, shall clearly and specifically  
15 designate the license or registration discipline of each individual  
16 named.

17 (c) The business name of a California engineering business may  
18 be a fictitious name. However, if the fictitious name includes the  
19 name of any person, the requirements of paragraph (3) of  
20 subdivision (a) shall be met.

21 (d) A person not licensed under this chapter may also be a  
22 partner or an officer of a civil, electrical, or mechanical engineering  
23 business if the requirements of subdivision (a) are met. This section  
24 does not permit a person who is not licensed under this chapter to  
25 be the sole owner of a civil, electrical, or mechanical engineering  
26 business, unless otherwise exempt under this chapter.

27 (e) This section shall not prevent the use of the name of any  
28 business engaged in rendering civil, electrical, or mechanical  
29 engineering services, including the use by any lawful successor  
30 or survivor, that lawfully was in existence on December 31, 1987.  
31 However, the business is subject to paragraphs (1) and (2) of  
32 subdivision (a).

33 (f) A business engaged in rendering civil, electrical, or  
34 mechanical engineering services may use in its name the name of  
35 a deceased or retired person provided all of the following  
36 conditions are satisfied:

37 (1) The person's name had been used in the name of the  
38 business, or a predecessor in interest of the business, before and  
39 after the death or retirement of the person.

1 (2) The person shall have been an owner, partner, or officer of  
 2 the business, or an owner, partner, or officer of the predecessor in  
 3 interest of the business.

4 (3) The person shall have been licensed as a professional  
 5 engineer, or a land surveyor, or an architect, or a geologist, (A) by  
 6 the appropriate licensing board if that person is operating a place  
 7 of business or practice in this state, or (B) by the applicable state  
 8 board if no place of business existed in this state.

9 (4) The person, if retired, has consented to the use of the name  
 10 and does not permit the use of the name in the title of another  
 11 professional engineering business in this state during the period  
 12 of the consent. However, the retired person may use their name as  
 13 the name of a new or purchased business if it is not identical in  
 14 every respect to that person's name as used in the former business.

15 (5) The business shall be subject to the provisions of paragraphs  
 16 (1) and (2) of subdivision (a).

17 (g) This section does not affect the provisions of Sections 6731.2  
 18 and 8726.1.

19 (h) A current organization record form shall be filed with the  
 20 board for all businesses engaged in rendering civil, electrical, or  
 21 mechanical engineering services.

22 (i) *This section shall remain in effect only until January 1, 2034,*  
 23 *and as of that date is repealed.*

24 ~~SEC. 2. Section 6738 of the Business and Professions Code,~~  
 25 ~~as amended by Section 2 of Chapter 302 of the Statutes of 2022,~~  
 26 ~~is repealed.~~

27 *SEC. 2. Section 6738 of the Business and Professions Code,*  
 28 *as amended by Section 2 of Chapter 302 of the Statutes of 2022,*  
 29 *is amended to read:*

30 6738. (a) This chapter does not prohibit one or more civil,  
 31 electrical, or mechanical engineers from practicing or offering to  
 32 practice within the scope of their license civil (including  
 33 geotechnical and structural), electrical, or mechanical engineering  
 34 as a sole proprietorship, partnership, firm, or corporation  
 35 (hereinafter called business), if all of the following requirements  
 36 are met:

37 (1) A civil, electrical, or mechanical engineer currently licensed  
 38 in this state is an owner, partner, or officer in charge of the  
 39 engineering practice of the business.

1 (2) All civil, electrical, or mechanical engineering services are  
2 performed by, or under the responsible charge of, a professional  
3 engineer licensed in the appropriate branch of professional  
4 engineering.

5 (3) If the business name of a California engineering business  
6 contains the name of any person, then that person shall be licensed  
7 as a professional engineer, a licensed land surveyor, a licensed  
8 architect, or a geologist registered under the Geologist and  
9 Geophysicist Act (Chapter 12.5 (commencing with Section 7800)).  
10 Any offer, promotion, or advertisement by the business that  
11 contains the name of any individual in the business, other than by  
12 use of the name of an individual in the business name, shall clearly  
13 and specifically designate the license or registration discipline of  
14 each individual named.

15 (b) An out-of-state business with a branch office in this state  
16 shall meet the requirements of subdivision (a) and shall have an  
17 owner, partner, or officer who is in charge of the engineering work  
18 in the branch in this state, who is licensed in this state, and who is  
19 physically present at the branch office in this state on a regular  
20 basis. However, the name of the business may contain the name  
21 of any person not licensed in this state if that person is  
22 appropriately registered or licensed in another state. Any offer,  
23 promotion, or advertisement that contains the name of any  
24 individual in the business, other than by use of the names of the  
25 individuals in the business name, shall clearly and specifically  
26 designate the license or registration discipline of each individual  
27 named.

28 (c) The business name of a California engineering business may  
29 be a fictitious name. However, if the fictitious name includes the  
30 name of any person, the requirements of paragraph (3) of  
31 subdivision (a) shall be met.

32 (d) A person not licensed under this chapter may also be a  
33 partner or an officer of a civil, electrical, or mechanical engineering  
34 business if the requirements of subdivision (a) are met. This section  
35 does not permit a person who is not licensed under this chapter to  
36 be the sole owner of a civil, electrical, or mechanical engineering  
37 business, unless otherwise exempt under this chapter.

38 (e) This section shall not prevent the use of the name of any  
39 business engaged in rendering civil, electrical, or mechanical  
40 engineering services, including the use by any lawful successor



1 or survivor, that lawfully was in existence on December 31, 1987.  
 2 However, the business is subject to paragraphs (1) and (2) of  
 3 subdivision (a).

4 (f) A business engaged in rendering civil, electrical, or  
 5 mechanical engineering services may use in its name the name of  
 6 a deceased or retired person provided all of the following  
 7 conditions are satisfied:

8 (1) The person's name had been used in the name of the  
 9 business, or a predecessor in interest of the business, before and  
 10 after the death or retirement of the person.

11 (2) The person shall have been an owner, partner, or officer of  
 12 the business, or an owner, partner, or officer of the predecessor in  
 13 interest of the business.

14 (3) The person shall have been licensed as a professional  
 15 engineer, or a land surveyor, or an architect, or a geologist, (A) by  
 16 the appropriate licensing board if that person is operating a place  
 17 of business or practice in this state, or (B) by the applicable state  
 18 board if no place of business existed in this state.

19 (4) The person, if retired, has consented to the use of the name  
 20 and does not permit the use of the name in the title of another  
 21 professional engineering business in this state during the period  
 22 of the consent. However, the retired person may use their name as  
 23 the name of a new or purchased business if it is not identical in  
 24 every respect to that person's name as used in the former business.

25 (5) The business shall be subject to the provisions of paragraphs  
 26 (1) and (2) of subdivision (a).

27 (g) This section does not affect the provisions of Sections 6731.2  
 28 and 8726.1.

29 (h) A current organization record form shall be filed with the  
 30 board for all businesses engaged in rendering civil, electrical, or  
 31 mechanical engineering services.

32 (i) This section shall become operative on January 1, ~~2026~~  
 33 ~~2034~~.

34 SEC. 3. Section 8729 of the Business and Professions Code,  
 35 as amended by Section 7 of Chapter 302 of the Statutes of 2022,  
 36 is amended to read:

37 8729. (a) This chapter does not prohibit one or more licensed  
 38 land surveyors or civil engineers licensed in this state before 1982  
 39 (hereinafter called civil engineers) from practicing or offering to  
 40 practice, within the scope of their licensure, land surveying as a

1 sole proprietorship, partnership, limited liability partnership, firm,  
2 or corporation (hereinafter called business), if the following  
3 conditions are satisfied:

4 (1) A land surveyor or civil engineer currently licensed in the  
5 state is an owner, partner, or officer in charge of the land surveying  
6 practice of the business.

7 (2) All land surveying services are performed by or under the  
8 responsible charge of a land surveyor or civil engineer.

9 (3) If the business name of a California land surveying business  
10 contains the name of a person, then that person shall be licensed  
11 by the board as a land surveyor or licensed by the board in any  
12 year as a civil engineer. Any offer, promotion, or advertisement  
13 by the business that contains the name of any individual in the  
14 business, other than by use of the name of the individual in the  
15 business name, shall clearly and specifically designate the license  
16 discipline of each individual named.

17 (b) An out-of-state business with a branch office in this state  
18 shall meet the requirements of subdivision (a) and shall have an  
19 owner, partner, or officer who is in charge of the land surveying  
20 work in this state, who is licensed in this state, and who is  
21 physically present at the branch office in this state on a regular  
22 basis. However, the name of the business may contain the name  
23 of a person not licensed in this state, if that person is appropriately  
24 licensed or registered in another state. Any offer, promotion, or  
25 advertisement that contains the name of any individual in the  
26 business, other than by use of the name of the individual in the  
27 business name, shall clearly and specifically designate the license  
28 or registration discipline of each individual named.

29 (c) The business name of a California land surveying business  
30 may be a fictitious name. However, if the fictitious name includes  
31 the names of any person, the requirements of paragraph (3) of  
32 subdivision (a) shall be met.

33 (d) A person not licensed under this chapter or licensed as a  
34 civil engineer in this state before 1982 may also be a partner or an  
35 officer of a land surveying business if the conditions of subdivision  
36 (a) are satisfied. This section does not permit a person who is not  
37 licensed under this chapter or licensed as a civil engineer in this  
38 state before 1982 to be the sole owner or office of a land surveying  
39 business, unless otherwise exempt under this chapter.

1 (e) This section shall not prevent the use of the name of any  
 2 business engaged in rendering land surveying services, including  
 3 the use by any lawful successor or survivor, that lawfully was in  
 4 existence on June 1, 1941. However, the business is subject to the  
 5 provisions of paragraphs (1) and (2) of subdivision (a).

6 (f) A business engaged in rendering land surveying services  
 7 may use in its name the name of a deceased or retired person if  
 8 the following conditions are satisfied:

9 (1) The person's name had been used in the name of the  
 10 business, or a predecessor in interest of the business, before the  
 11 death or retirement of the person.

12 (2) The person shall have been an owner, partner, or officer of  
 13 the business, or an owner, partner, or officer of the predecessor in  
 14 interest of the business.

15 (3) The person shall have been licensed as a land surveyor or a  
 16 civil engineer by the board, if operating a place of business or  
 17 practice in this state, or by an applicable state board in the event  
 18 no place of business existed in this state.

19 (4) The person, if retired, has consented to the use of the name  
 20 and does not permit the use of the name in the title of another land  
 21 surveying business in this state during the period of that consent,  
 22 except that a retired person may use their name as the name of a  
 23 new or purchased business, if that business is not identical in every  
 24 respect to that person's name as used in the former business.

25 (5) The business shall be subject to paragraphs (1) and (2) of  
 26 subdivision (a).

27 (g) This section does not affect Sections 6731.2 and 8726.1.

28 (h) A current organization record form shall be filed with the  
 29 board for all businesses engaged in rendering professional land  
 30 surveying services.

31 (i) *This section shall remain in effect only until January 1, 2034,*  
 32 *and as of that date is repealed.*

33 ~~SEC. 4. Section 8729 of the Business and Professions Code,~~  
 34 ~~as amended by Section 8 of Chapter 302 of the Statutes of 2022,~~  
 35 ~~is repealed.~~

36 *SEC. 4. Section 8729 of the Business and Professions Code,*  
 37 *as amended by Section 8 of Chapter 302 of the Statutes of 2022,*  
 38 *is amended to read:*

39 8729. (a) This chapter does not prohibit one or more licensed  
 40 land surveyors or civil engineers licensed in this state before 1982

1 (hereinafter called civil engineers) from practicing or offering to  
2 practice within the scope of their licensure, land surveying as a  
3 sole proprietorship, partnership, firm, or corporation (hereinafter  
4 called business), if the following conditions are satisfied:

5 (1) A land surveyor or civil engineer currently licensed in the  
6 state is an owner, partner, or officer in charge of the land surveying  
7 practice of the business.

8 (2) All land surveying services are performed by or under the  
9 responsible charge of a land surveyor or civil engineer.

10 (3) If the business name of a California land surveying business  
11 contains the name of a person, then that person shall be licensed  
12 by the board as a land surveyor or licensed by the board in any  
13 year as a civil engineer. Any offer, promotion, or advertisement  
14 by the business that contains the name of any individual in the  
15 business, other than by use of the name of the individual in the  
16 business name, shall clearly and specifically designate the license  
17 discipline of each individual named.

18 (b) An out-of-state business with a branch office in this state  
19 shall meet the requirements of subdivision (a) and shall have an  
20 owner, partner, or officer who is in charge of the land surveying  
21 work in this state, who is licensed in this state, and who is  
22 physically present at the branch office in this state on a regular  
23 basis. However, the name of the business may contain the name  
24 of a person not licensed in this state, if that person is appropriately  
25 licensed or registered in another state. Any offer, promotion, or  
26 advertisement that contains the name of any individual in the  
27 business, other than by use of the name of the individual in the  
28 business name, shall clearly and specifically designate the license  
29 or registration discipline of each individual named.

30 (c) The business name of a California land surveying business  
31 may be a fictitious name. However, if the fictitious name includes  
32 the names of any person, the requirements of paragraph (3) of  
33 subdivision (a) shall be met.

34 (d) A person not licensed under this chapter or licensed as a  
35 civil engineer in this state before 1982 may also be a partner or an  
36 officer of a land surveying business if the conditions of subdivision  
37 (a) are satisfied. This section does not permit a person who is not  
38 licensed under this chapter or licensed as a civil engineer in this  
39 state before 1982 to be the sole owner or office of a land surveying  
40 business, unless otherwise exempt under this chapter.

1 (e) This section shall not prevent the use of the name of any  
2 business engaged in rendering land surveying services, including  
3 the use by any lawful successor or survivor, that lawfully was in  
4 existence on June 1, 1941. However, the business is subject to the  
5 provisions of paragraphs (1) and (2) of subdivision (a).

6 (f) A business engaged in rendering land surveying services  
7 may use in its name the name of a deceased or retired person if  
8 the following conditions are satisfied:

9 (1) The person's name had been used in the name of the  
10 business, or a predecessor in interest of the business, before the  
11 death or retirement of the person.

12 (2) The person shall have been an owner, partner, or officer of  
13 the business, or an owner, partner, or officer of the predecessor in  
14 interest of the business.

15 (3) The person shall have been licensed as a land surveyor or a  
16 civil engineer by the board, if operating a place of business or  
17 practice in this state, or by an applicable state board in the event  
18 no place of business existed in this state.

19 (4) The person, if retired, has consented to the use of the name  
20 and does not permit the use of the name in the title of another land  
21 surveying business in this state during the period of that consent,  
22 except that a retired person may use their name as the name of a  
23 new or purchased business, if that business is not identical in every  
24 respect to that person's name as used in the former business.

25 (5) The business shall be subject to paragraphs (1) and (2) of  
26 subdivision (a).

27 (g) This section does not affect Sections 6731.2 and 8726.1.

28 (h) A current organization record form shall be filed with the  
29 board for all businesses engaged in rendering professional land  
30 surveying services.

31 (i) This section shall become operative on January 1, ~~2026~~.  
32 2034.

33 SEC. 5. Section 8 of the Corporations Code is amended to read:

34 8. Writing includes any form of recorded message capable of  
35 comprehension by ordinary visual means; and when used to  
36 describe communications between a corporation, partnership, or  
37 limited liability company and its shareholders, members, partners,  
38 directors, or managers, writing shall include electronic  
39 transmissions by and to a corporation (Sections 20 and 21),  
40 electronic transmissions by and to a partnership (Section 16101),

1 and electronic transmissions by and to a limited liability company  
2 (paragraphs (1) and (2) of subdivision (o) of Section 17001).  
3 Whenever any notice, report, statement, or record is required or  
4 authorized by this code, it shall be made in writing in the English  
5 language.

6 Wherever any notice or other communication is required by this  
7 code to be mailed by registered mail by or to any person or  
8 corporation, the mailing of such notice or other communication  
9 by certified mail shall be deemed to be a sufficient compliance  
10 with the requirements of law.

11 SEC. 6. Section 174.5 of the Corporations Code is amended  
12 to read:

13 174.5. "Other business entity" means a domestic or foreign  
14 limited liability company, limited partnership, general partnership,  
15 business trust, real estate investment trust, unincorporated  
16 association (other than a nonprofit association), or a domestic  
17 reciprocal insurer organized after 1974 to provide medical  
18 malpractice insurance as set forth in Article 16 (commencing with  
19 Section 1550) of Chapter 3 of Part 2 of Division 1 of the Insurance  
20 Code. As used herein, "general partnership" means a "partnership"  
21 as defined in Section 16101; "business trust" means a business  
22 organization formed as a trust; "real estate investment trust" means  
23 a "real estate investment trust" as defined in subsection (a) of  
24 Section 856 of the Internal Revenue Code of 1986, as amended;  
25 and "unincorporated association" has the meaning set forth in  
26 Section 18035.

27 SEC. 7. Section 5063.5 of the Corporations Code is amended  
28 to read:

29 5063.5. "Other business entity" means a domestic or foreign  
30 limited liability company, limited partnership, general partnership,  
31 business trust, real estate investment trust, unincorporated  
32 association, or a domestic reciprocal insurer organized after 1974  
33 to provide medical malpractice insurance as set forth in Article 16  
34 (commencing with Section 1550) of Chapter 3 of Part 2 of Division  
35 1 of the Insurance Code. As used herein, "general partnership"  
36 means a "partnership" as defined in Section 16101; "business trust"  
37 means a business organization formed as a trust; "real estate  
38 investment trust" means a "real estate investment trust" as defined  
39 in subsection (a) of Section 856 of the Internal Revenue Code of

1 1986, as amended; and “unincorporated association” has the  
2 meaning set forth in Section 18035.

3 SEC. 8. Section 12242.5 of the Corporations Code is amended  
4 to read:

5 12242.5. “Other business entity” means a domestic or foreign  
6 limited liability company, limited partnership, general partnership,  
7 business trust, real estate investment trust, unincorporated  
8 association, or a domestic reciprocal insurer organized after 1974  
9 to provide medical malpractice insurance as set forth in Article 16  
10 (commencing with Section 1550) of Chapter 3 of Part 2 of Division  
11 1 of the Insurance Code. As used herein, “general partnership”  
12 means a “partnership” as defined in Section 16101; “business trust”  
13 means a business organization formed as a trust; “real estate  
14 investment trust” means a “real estate investment trust” as defined  
15 in subsection (a) of Section 856 of the Internal Revenue Code of  
16 1986, as amended; and “unincorporated association” has the  
17 meaning set forth in Section 18035.

18 SEC. 9. Section 16101 of the Corporations Code, as amended  
19 by Section 33 of Chapter 497 of the Statutes of 2019, is amended  
20 to read:

21 16101. (a) As used in this chapter, the following terms and  
22 phrases have the following meanings:

23 (a)

24 (1) “Business” includes every trade, occupation, and profession.

25 (b)

26 (2) “Debtor in bankruptcy” means a person who is the subject  
27 of either of the following:

28 (1)

29 (A) An order for relief under Title 11 of the United States Code  
30 or a comparable order under a successor statute of general  
31 application.

32 (2)

33 (B) A comparable order under federal, state, or foreign law  
34 governing insolvency.

35 (c)

36 (3) “Distribution” means a transfer of money or other property  
37 from a partnership to a partner in the partner’s capacity as a partner  
38 or to the partner’s transferee.

39 (d)

1 (4) “Electronic transmission by the partnership” means a  
2 communication (a) delivered by (1) facsimile telecommunication  
3 or electronic mail when directed to the facsimile number or  
4 electronic mail address, respectively, for that recipient on record  
5 with the partnership, (2) posting on an electronic message board  
6 or network that the partnership has designated for those  
7 communications, together with a separate notice to the recipient  
8 of the posting, which transmission shall be validly delivered upon  
9 the later of the posting or delivery of the separate notice thereof,  
10 or (3) other means of electronic communication, (b) to a recipient  
11 who has provided an unrevoked consent to the use of those means  
12 of transmission, and (c) that creates a record that is capable of  
13 retention, retrieval, and review, and that may thereafter be rendered  
14 into clearly legible tangible form. However, an electronic  
15 transmission by a partnership to an individual partner is not  
16 authorized unless, in addition to satisfying the requirements of this  
17 section, the transmission satisfies the requirements applicable to  
18 consumer consent to electronic records as set forth in the Electronic  
19 Signatures in Global and National Commerce Act (15 U.S.C. Sec.  
20 7001(c)(1)).

21 (e)

22 (5) “Electronic transmission to the partnership” means a  
23 communication (a) delivered by (1) facsimile telecommunication  
24 or electronic mail when directed to the facsimile number or  
25 electronic mail address, respectively, which the partnership has  
26 provided from time to time to partners for sending communications  
27 to the partnership, (2) posting on an electronic message board or  
28 network that the partnership has designated for those  
29 communications, and which transmission shall be validly delivered  
30 upon the posting, or (3) other means of electronic communication,  
31 (b) as to which the partnership has placed in effect reasonable  
32 measures to verify that the sender is the partner, in person or by  
33 proxy, purporting to send the transmission, and (c) that creates a  
34 record that is capable of retention, retrieval, and review, and that  
35 may thereafter be rendered into clearly legible tangible form.

36 ~~(f)(1)~~

37 (6) (A) “Foreign limited liability partnership” means a  
38 partnership, other than a limited partnership, formed pursuant to  
39 an agreement governed by the laws of another jurisdiction and  
40 denominated or registered as a limited liability partnership or



1 registered limited liability partnership under the laws of that  
 2 jurisdiction (i) in which each partner is a licensed person or a  
 3 person licensed or authorized to provide professional limited  
 4 liability partnership services in a jurisdiction or jurisdictions other  
 5 than this state, (ii) which is licensed under the laws of the state to  
 6 engage in the practice of architecture, the practice of public  
 7 accountancy, the practice of engineering, the practice of land  
 8 surveying, or the practice of law, or (iii) which (I) is related to a  
 9 registered limited liability partnership that practices public  
 10 accountancy or, to the extent permitted by the State Bar of  
 11 California, practices law or is related to a foreign limited liability  
 12 partnership and (II) provides services related or complementary  
 13 to the professional limited liability partnership services provided  
 14 by, or provides services or facilities to, that registered limited  
 15 liability partnership or foreign limited liability partnership.

16 ~~(2)~~

17 (B) For the purposes of clause (iii) of subparagraph (A), a  
 18 partnership is related to a registered limited liability partnership  
 19 or foreign limited liability partnership if (i) at least a majority of  
 20 the partners in one partnership are also partners in the other  
 21 partnership, or (ii) at least a majority in interest in each partnership  
 22 hold interests in or are members of another person, except an  
 23 individual, and each partnership renders services pursuant to an  
 24 agreement with that other person, or (iii) one partnership, directly  
 25 or indirectly through one or more intermediaries, controls, is  
 26 controlled by, or is under common control with, the other  
 27 partnership.

28 ~~(g)~~

29 (7) "Licensed person" means any person who is duly licensed,  
 30 authorized, or registered under the provisions of the Business and  
 31 Professions Code to provide professional limited liability  
 32 partnership services or who is lawfully able to render professional  
 33 limited liability partnership services in this state.

34 ~~(h)(1)~~

35 (8) (A) "Registered limited liability partnership" means a  
 36 partnership, other than a limited partnership, formed pursuant to  
 37 an agreement governed by Article 10 (commencing with Section  
 38 16951), that is registered under Section 16953 and (i) each of the  
 39 partners of which is a licensed person or a person licensed or  
 40 authorized to provide professional limited liability partnership

1 services in a jurisdiction or jurisdictions other than this state, (ii)  
 2 is licensed under the laws of the state to engage in the practice of  
 3 architecture, the practice of public accountancy, the practice of  
 4 engineering, the practice of land surveying, or the practice of law,  
 5 or (iii)(I) is related to a registered limited liability partnership that  
 6 practices public accountancy or, to the extent permitted by the  
 7 State Bar of California, practices law or is related to a foreign  
 8 limited liability partnership and (II) provides services related or  
 9 complementary to the professional limited liability partnership  
 10 services provided by, or provides services or facilities to, that  
 11 registered limited liability partnership or foreign limited liability  
 12 partnership.

13 ~~(2)~~

14 (B) For the purposes of clause (iii) of subparagraph (A), a  
 15 partnership is related to a registered limited liability partnership  
 16 or foreign limited liability partnership if (i) at least a majority of  
 17 the partners in one partnership are also partners in the other  
 18 partnership, or (ii) at least a majority in interest in each partnership  
 19 hold interests in or are members of another person, other than an  
 20 individual, and each partnership renders services pursuant to an  
 21 agreement with that other person, or (iii) one partnership, directly  
 22 or indirectly through one or more intermediaries, controls, is  
 23 controlled by, or is under common control with, the other  
 24 partnership.

25 ~~(i)~~

26 (9) "Partnership" means an association of two or more persons  
 27 to carry on as coowners a business for profit formed under Section  
 28 16202, predecessor law, or comparable law of another jurisdiction,  
 29 and includes, for all purposes of the laws of this state, a registered  
 30 limited liability partnership, and excludes any partnership formed  
 31 under Chapter 4.5 (commencing with Section 15900).

32 ~~(j)~~

33 (10) "Partnership agreement" means the agreement, whether  
 34 written, oral, or implied, among the partners concerning the  
 35 partnership, including amendments to the partnership agreement.

36 ~~(k)~~

37 (11) "Partnership at will" means a partnership in which the  
 38 partners have not agreed to remain partners until the expiration of  
 39 a definite term or the completion of a particular undertaking.

40 ~~(l)~~

1 (12) “Partnership interest” or “partner’s interest in the  
2 partnership” means all of a partner’s interests in the partnership,  
3 including the partner’s transferable interest and all management  
4 and other rights.

5 (m)

6 (13) “Person” means an individual, corporation, business trust,  
7 estate, trust, partnership, limited partnership, limited liability  
8 partnership, limited liability company, association, joint venture,  
9 government, governmental subdivision, agency, or instrumentality,  
10 or any other legal or commercial entity.

11 (n)

12 (14) “Professional limited liability partnership services” means  
13 the practice of architecture, the practice of public accountancy,  
14 the practice of engineering, the practice of land surveying, or the  
15 practice of law.

16 (o)

17 (15) “Property” means all property, real, personal, or mixed,  
18 tangible or intangible, or any interest therein.

19 (p)

20 (16) “State” means a state of the United States, the District of  
21 Columbia, the Commonwealth of Puerto Rico, or any territory or  
22 insular possession subject to the jurisdiction of the United States.

23 (q)

24 (17) “Statement” means a statement of partnership authority  
25 under Section 16303, a statement of denial under Section 16304,  
26 a statement of dissociation under Section 16704, a statement of  
27 dissolution under Section 16805, a statement of conversion or a  
28 certificate of conversion under Section 16906, a statement of  
29 merger under Section 16915, or an amendment or cancellation of  
30 any of the foregoing.

31 (r)

32 (18) “Transfer” includes an assignment, conveyance, lease,  
33 mortgage, deed, and encumbrance.

34 (b) *The inclusion of the practice of architecture as a professional*  
35 *limited liability partnership service permitted by this section shall*  
36 *extend only until January 1, 2034.*

37 (c) *This section shall remain in effect only until January 1, 2034,*  
38 *and as of that date is repealed.*

39 ~~SEC. 10. Section 16101 of the Corporations Code, as amended~~  
40 ~~by Section 34 of Chapter 497 of the Statutes of 2019, is repealed.~~

1     *SEC. 10. Section 16101 of the Corporations Code, as amended*  
2     *by Section 34 of Chapter 497 of the Statutes of 2019, is amended*  
3     *to read:*

4     16101. (a) As used in this chapter, the following terms and  
5     phrases have the following meanings:

6     (1) “Business” includes every trade, occupation, and profession.

7     (2) “Debtor in bankruptcy” means a person who is the subject  
8     of either of the following:

9     (A) An order for relief under Title 11 of the United States Code  
10     or a comparable order under a successor statute of general  
11     application.

12     (B) A comparable order under federal, state, or foreign law  
13     governing insolvency.

14     (3) “Distribution” means a transfer of money or other property  
15     from a partnership to a partner in the partner’s capacity as a partner  
16     or to the partner’s transferee.

17     (4) “Electronic transmission by the partnership” means a  
18     communication (a) delivered by (1) facsimile telecommunication  
19     or electronic mail when directed to the facsimile number or  
20     electronic mail address, respectively, for that recipient on record  
21     with the partnership, (2) posting on an electronic message board  
22     or network that the partnership has designated for those  
23     communications, together with a separate notice to the recipient  
24     of the posting, which transmission shall be validly delivered upon  
25     the later of the posting or delivery of the separate notice thereof,  
26     or (3) other means of electronic communication, (b) to a recipient  
27     who has provided an unrevoked consent to the use of those means  
28     of transmission, and (c) that creates a record that is capable of  
29     retention, retrieval, and review, and that may thereafter be rendered  
30     into clearly legible tangible form. However, an electronic  
31     transmission by a partnership to an individual partner is not  
32     authorized unless, in addition to satisfying the requirements of this  
33     section, the transmission satisfies the requirements applicable to  
34     consumer consent to electronic records as set forth in the Electronic  
35     Signatures in Global and National Commerce Act (15 U.S.C. Sec.  
36     7001(c)(1)).

37     (5) “Electronic transmission to the partnership” means a  
38     communication (a) delivered by (1) facsimile telecommunication  
39     or electronic mail when directed to the facsimile number or  
40     electronic mail address, respectively, which the partnership has

1 provided from time to time to partners for sending communications  
2 to the partnership, (2) posting on an electronic message board or  
3 network that the partnership has designated for those  
4 communications, and which transmission shall be validly delivered  
5 upon the posting, or (3) other means of electronic communication,  
6 (b) as to which the partnership has placed in effect reasonable  
7 measures to verify that the sender is the partner, in person or by  
8 proxy, purporting to send the transmission, and (c) that creates a  
9 record that is capable of retention, retrieval, and review, and that  
10 may thereafter be rendered into clearly legible tangible form.

11 (6) (A) "Foreign limited liability partnership" means a  
12 partnership, other than a limited partnership, formed pursuant to  
13 an agreement governed by the laws of another jurisdiction and  
14 denominated or registered as a limited liability partnership or  
15 registered limited liability partnership under the laws of that  
16 jurisdiction (i) in which each partner is a licensed person or a  
17 person licensed or authorized to provide professional limited  
18 liability partnership services in a jurisdiction or jurisdictions other  
19 than this state, (ii) which is licensed under the laws of the state to  
20 engage in the practice of public accountancy or the practice of law,  
21 or (iii) which (I) is related to a registered limited liability  
22 partnership that practices public accountancy or, to the extent  
23 permitted by the State Bar of California, practices law or is related  
24 to a foreign limited liability partnership and (II) provides services  
25 related or complementary to the professional limited liability  
26 partnership services provided by, or provides services or facilities  
27 to, that registered limited liability partnership or foreign limited  
28 liability partnership.

29 (B) For the purposes of clause (iii) of subparagraph (A), a  
30 partnership is related to a registered limited liability partnership  
31 or foreign limited liability partnership if (i) at least a majority of  
32 the partners in one partnership are also partners in the other  
33 partnership, or (ii) at least a majority in interest in each partnership  
34 hold interests in or are members of another person, except an  
35 individual, and each partnership renders services pursuant to an  
36 agreement with that other person, or (iii) one partnership, directly  
37 or indirectly through one or more intermediaries, controls, is  
38 controlled by, or is under common control with, the other  
39 partnership.

1 (7) “Licensed person” means any person who is duly licensed,  
2 authorized, or registered under the provisions of the Business and  
3 Professions Code to provide professional limited liability  
4 partnership services or who is lawfully able to render professional  
5 limited liability partnership services in this state.

6 (8) (A) “Registered limited liability partnership” means a  
7 partnership, other than a limited partnership, formed pursuant to  
8 an agreement governed by Article 10 (commencing with Section  
9 16951), that is registered under Section 16953 and (i) each of the  
10 partners of which is a licensed person or a person licensed or  
11 authorized to provide professional limited liability partnership  
12 services in a jurisdiction or jurisdictions other than this state, (ii)  
13 is licensed under the laws of the state to engage in the practice of  
14 public accountancy or the practice of law, or (iii)(I) is related to a  
15 registered limited liability partnership that practices public  
16 accountancy or, to the extent permitted by the State Bar of  
17 California, practices law or is related to a foreign limited liability  
18 partnership and (II) provides services related or complementary  
19 to the professional limited liability partnership services provided  
20 by, or provides services or facilities to, that registered limited  
21 liability partnership or foreign limited liability partnership.

22 (B) For the purposes of clause (iii) of subparagraph (A), a  
23 partnership is related to a registered limited liability partnership  
24 or foreign limited liability partnership if (i) at least a majority of  
25 the partners in one partnership are also partners in the other  
26 partnership, or (ii) at least a majority in interest in each partnership  
27 hold interests in or are members of another person, other than an  
28 individual, and each partnership renders services pursuant to an  
29 agreement with that other person, or (iii) one partnership, directly  
30 or indirectly through one or more intermediaries, controls, is  
31 controlled by, or is under common control with, the other  
32 partnership.

33 (9) “Partnership” means an association of two or more persons  
34 to carry on as coowners a business for profit formed under Section  
35 16202, predecessor law, or comparable law of another jurisdiction,  
36 and includes, for all purposes of the laws of this state, a registered  
37 limited liability partnership, and excludes any partnership formed  
38 under Chapter 4.5 (commencing with Section 15900).

1 (10) “Partnership agreement” means the agreement, whether  
2 written, oral, or implied, among the partners concerning the  
3 partnership, including amendments to the partnership agreement.

4 (11) “Partnership at will” means a partnership in which the  
5 partners have not agreed to remain partners until the expiration of  
6 a definite term or the completion of a particular undertaking.

7 (12) “Partnership interest” or “partner’s interest in the  
8 partnership” means all of a partner’s interests in the partnership,  
9 including the partner’s transferable interest and all management  
10 and other rights.

11 (13) “Person” means an individual, corporation, business trust,  
12 estate, trust, partnership, limited partnership, limited liability  
13 partnership, limited liability company, association, joint venture,  
14 government, governmental subdivision, agency, or instrumentality,  
15 or any other legal or commercial entity.

16 (14) “Professional limited liability partnership services” means  
17 the practice of public accountancy or the practice of law.

18 (15) “Property” means all property, real, personal, or mixed,  
19 tangible or intangible, or any interest therein.

20 (16) “State” means a state of the United States, the District of  
21 Columbia, the Commonwealth of Puerto Rico, or any territory or  
22 insular possession subject to the jurisdiction of the United States.

23 (17) “Statement” means a statement of partnership authority  
24 under Section 16303, a statement of denial under Section 16304,  
25 a statement of dissociation under Section 16704, a statement of  
26 dissolution under Section 16805, a statement of conversion or a  
27 certificate of conversion under Section 16906, a statement of  
28 merger under Section 16915, or an amendment or cancellation of  
29 any of the foregoing.

30 (18) “Transfer” includes an assignment, conveyance, lease,  
31 mortgage, deed, and encumbrance.

32 (b) This section shall become operative on January 1, ~~2026~~  
33 ~~2034~~.

34 SEC. 11. Section 16403 of the Corporations Code is amended  
35 to read:

36 16403. (a) A partnership shall keep its books and records, if  
37 any, in writing or in any other form capable of being converted  
38 into clearly legible tangible form, at its principal office.

39 (b) A partnership shall provide partners and their agents and  
40 attorneys access to its books and records. It shall provide former

1 partners and their agents and attorneys access to books and records  
2 pertaining to the period during which they were partners. The right  
3 of access provides the opportunity to inspect and copy books and  
4 records during ordinary business hours. A partnership may impose  
5 a reasonable charge, covering the costs of labor and material, for  
6 copies of documents furnished.

7 (c) Each partner and the partnership shall furnish to a partner,  
8 and to the legal representative of a deceased partner or partner  
9 under legal disability, both of the following, which may be  
10 transmitted by electronic transmission by the partnership pursuant  
11 to Section 16101:

12 (1) Without demand, any information concerning the  
13 partnership's business and affairs reasonably required for the proper  
14 exercise of the partner's rights and duties under the partnership  
15 agreement or this chapter; and

16 (2) On demand, any other information concerning the  
17 partnership's business and affairs, except to the extent the demand  
18 or the information demanded is unreasonable or otherwise improper  
19 under the circumstances.

20 SEC. 12. Section 16956 of the Corporations Code, as amended  
21 by Section 7 of Chapter 150 of the Statutes of 2018, is amended  
22 to read:

23 16956. (a) At the time of registration pursuant to Section  
24 16953, in the case of a registered limited liability partnership, and  
25 Section 16959, in the case of a foreign limited liability partnership,  
26 and at all times during which those partnerships shall transact  
27 intrastate business, every registered limited liability partnership  
28 and foreign limited liability partnership, as the case may be, shall  
29 be required to provide security for claims against it as follows:

30 (1) For claims based upon acts, errors, or omissions arising out  
31 of the practice of public accountancy, a registered limited liability  
32 partnership or foreign limited liability partnership providing  
33 accountancy services shall comply with one, or pursuant to  
34 subdivision (b) some combination, of the following:

35 (A) Maintaining a policy or policies of insurance against liability  
36 imposed on or against it by law for damages arising out of claims;  
37 however, the total aggregate limit of liability under the policy or  
38 policies of insurance for partnerships with five or fewer licensed  
39 persons shall not be less than one million dollars (\$1,000,000),  
40 and for partnerships with more than five licensees rendering



1 professional services on behalf of the partnership, an additional  
2 one hundred thousand dollars (\$100,000) of insurance shall be  
3 obtained for each additional licensee; however, the maximum  
4 amount of insurance is not required to exceed five million dollars  
5 (\$5,000,000) in any one designated period, less amounts paid in  
6 defending, settling, or discharging claims as set forth in this  
7 subparagraph. The policy or policies may be issued on a  
8 claims-made or occurrence basis, and shall cover: (i) in the case  
9 of a claims-made policy, claims initially asserted in the designated  
10 period, and (ii) in the case of an occurrence policy, occurrences  
11 during the designated period. For purposes of this subparagraph,  
12 “designated period” means a policy year or any other period  
13 designated in the policy that is not greater than 12 months. The  
14 impairment or exhaustion of the aggregate limit of liability by  
15 amounts paid under the policy in connection with the settlement,  
16 discharge, or defense of claims applicable to a designated period  
17 shall not require the partnership to acquire additional insurance  
18 coverage for that designated period. The policy or policies of  
19 insurance may be in a form reasonably available in the commercial  
20 insurance market and may be subject to those terms, conditions,  
21 exclusions, and endorsements that are typically contained in those  
22 policies. A policy or policies of insurance maintained pursuant to  
23 this subparagraph may be subject to a deductible or self-insured  
24 retention.

25 Upon the dissolution and winding up of the partnership, the  
26 partnership shall, with respect to any insurance policy or policies  
27 then maintained pursuant to this subparagraph, maintain or obtain  
28 an extended reporting period endorsement or equivalent provision  
29 in the maximum total aggregate limit of liability required to comply  
30 with this subparagraph for a minimum of three years if reasonably  
31 available from the insurer.

32 (B) Maintaining in trust or bank escrow, cash, bank certificates  
33 of deposit, United States Treasury obligations, bank letters of  
34 credit, or bonds of insurance or surety companies as security for  
35 payment of liabilities imposed by law for damages arising out of  
36 all claims; however, the maximum amount of security for  
37 partnerships with five or fewer licensed persons shall not be less  
38 than one million dollars (\$1,000,000), and for partnerships with  
39 more than five licensees rendering professional services on behalf  
40 of the partnership, an additional one hundred thousand dollars

1 (\$100,000) of security shall be obtained for each additional  
2 licensee; however, the maximum amount of security is not required  
3 to exceed five million dollars (\$5,000,000). The partnership  
4 remains in compliance with this section during a calendar year  
5 notwithstanding amounts paid during that calendar year from the  
6 accounts, funds, Treasury obligations, letters of credit, or bonds  
7 in defending, settling, or discharging claims of the type described  
8 in this paragraph, provided that the amount of those accounts,  
9 funds, Treasury obligations, letters of credit, or bonds was at least  
10 the amount specified in the preceding sentence as of the first  
11 business day of that calendar year. Notwithstanding the pendency  
12 of other claims against the partnership, a registered limited liability  
13 partnership or foreign limited liability partnership shall be deemed  
14 to be in compliance with this subparagraph as to a claim if within  
15 30 days after the time that a claim is initially asserted through  
16 service of a summons, complaint, or comparable pleading in a  
17 judicial or administrative proceeding, the partnership has provided  
18 the required amount of security by designating and segregating  
19 funds in compliance with the requirements of this subparagraph.

20 (C) Unless the partnership has satisfied subparagraph (D), each  
21 partner of a registered limited liability partnership or foreign  
22 limited liability partnership providing accountancy services, by  
23 virtue of that person's status as a partner, thereby automatically  
24 guarantees payment of the difference between the maximum  
25 amount of security required for the partnership by this paragraph  
26 and the security otherwise provided in accordance with  
27 subparagraphs (A) and (B), provided that the aggregate amount  
28 paid by all partners under these guarantees shall not exceed the  
29 difference. Neither withdrawal by a partner nor the dissolution and  
30 winding up of the partnership shall affect the rights or obligations  
31 of a partner arising prior to withdrawal or dissolution and winding  
32 up, and the guarantee provided for in this subparagraph shall apply  
33 only to conduct that occurred prior to the withdrawal or dissolution  
34 and winding up. Nothing contained in this subparagraph shall  
35 affect or impair the rights or obligations of the partners among  
36 themselves, or the partnership, including, but not limited to, rights  
37 of contribution, subrogation, or indemnification.

38 (D) Confirming, pursuant to the procedure in subdivision (c),  
39 that, as of the most recently completed fiscal year of the

1 partnership, it had a net worth equal to or exceeding ten million  
2 dollars (\$10,000,000).

3 (2) For claims based upon acts, errors, or omissions arising out  
4 of the practice of law, a registered limited liability partnership or  
5 foreign limited liability partnership providing legal services shall  
6 comply with one, or pursuant to subdivision (b) some combination,  
7 of the following:

8 (A) Each registered limited liability partnership or foreign  
9 limited liability partnership providing legal services shall maintain  
10 a policy or policies of insurance against liability imposed on or  
11 against it by law for damages arising out of claims; however, the  
12 total aggregate limit of liability under the policy or policies of  
13 insurance for partnerships with five or fewer licensed persons shall  
14 not be less than one million dollars (\$1,000,000), and for  
15 partnerships with more than five licensees rendering professional  
16 services on behalf of the partnership, an additional one hundred  
17 thousand dollars (\$100,000) of insurance shall be obtained for  
18 each additional licensee; however, the maximum amount of  
19 insurance is not required to exceed seven million five hundred  
20 thousand dollars (\$7,500,000) in any one designated period, less  
21 amounts paid in defending, settling, or discharging claims as set  
22 forth in this subparagraph. The policy or policies may be issued  
23 on a claims-made or occurrence basis, and shall cover (i) in the  
24 case of a claims-made policy, claims initially asserted in the  
25 designated period, and (ii) in the case of an occurrence policy,  
26 occurrences during the designated period. For purposes of this  
27 subparagraph, "designated period" means a policy year or any  
28 other period designated in the policy that is not greater than 12  
29 months. The impairment or exhaustion of the aggregate limit of  
30 liability by amounts paid under the policy in connection with the  
31 settlement, discharge, or defense of claims applicable to a  
32 designated period shall not require the partnership to acquire  
33 additional insurance coverage for that designated period. The policy  
34 or policies of insurance may be in a form reasonably available in  
35 the commercial insurance market and may be subject to those  
36 terms, conditions, exclusions, and endorsements that are typically  
37 contained in those policies. A policy or policies of insurance  
38 maintained pursuant to this subparagraph may be subject to a  
39 deductible or self-insured retention.

1 Upon the dissolution and winding up of the partnership, the  
2 partnership shall, with respect to any insurance policy or policies  
3 then maintained pursuant to this subparagraph, maintain or obtain  
4 an extended reporting period endorsement or equivalent provision  
5 in the maximum total aggregate limit of liability required to comply  
6 with this subparagraph for a minimum of three years if reasonably  
7 available from the insurer.

8 (B) Each registered limited liability partnership or foreign  
9 limited liability partnership providing legal services shall maintain  
10 in trust or bank escrow, cash, bank certificates of deposit, United  
11 States Treasury obligations, bank letters of credit, or bonds of  
12 insurance or surety companies as security for payment of liabilities  
13 imposed by law for damages arising out of all claims; however,  
14 the maximum amount of security for partnerships with five or  
15 fewer licensed persons shall not be less than one million dollars  
16 (\$1,000,000), and for partnerships with more than five licensees  
17 rendering professional services on behalf of the partnership, an  
18 additional one hundred thousand dollars (\$100,000) of security  
19 shall be obtained for each additional licensee; however, the  
20 maximum amount of security is not required to exceed seven  
21 million five hundred thousand dollars (\$7,500,000). The partnership  
22 remains in compliance with this section during a calendar year  
23 notwithstanding amounts paid during that calendar year from the  
24 accounts, funds, Treasury obligations, letters of credit, or bonds  
25 in defending, settling, or discharging claims of the type described  
26 in this paragraph, provided that the amount of those accounts,  
27 funds, Treasury obligations, letters of credit, or bonds was at least  
28 the amount specified in the preceding sentence as of the first  
29 business day of that calendar year. Notwithstanding the pendency  
30 of other claims against the partnership, a registered limited liability  
31 partnership or foreign limited liability partnership shall be deemed  
32 to be in compliance with this subparagraph as to a claim if within  
33 30 days after the time that a claim is initially asserted through  
34 service of a summons, complaint, or comparable pleading in a  
35 judicial or administrative proceeding, the partnership has provided  
36 the required amount of security by designating and segregating  
37 funds in compliance with the requirement of this subparagraph.

38 (C) Unless the partnership has satisfied the requirements of  
39 subparagraph (D), each partner of a registered limited liability  
40 partnership or foreign limited liability partnership providing legal

1 services, by virtue of that person's status as a partner, thereby  
2 automatically guarantees payment of the difference between the  
3 maximum amount of security required for the partnership by this  
4 paragraph and the security otherwise provided in accordance with  
5 the provisions of subparagraphs (A) and (B), provided that the  
6 aggregate amount paid by all partners under these guarantees shall  
7 not exceed the difference. Neither withdrawal by a partner nor the  
8 dissolution and winding up of the partnership shall affect the rights  
9 or obligations of a partner arising prior to withdrawal or dissolution  
10 and winding up, and the guarantee provided for in this  
11 subparagraph shall apply only to conduct that occurred prior to  
12 the withdrawal or dissolution and winding up. Nothing contained  
13 in this subparagraph shall affect or impair the rights or obligations  
14 of the partners among themselves, or the partnership, including,  
15 but not limited to, rights of contribution, subrogation, or  
16 indemnification.

17 (D) Confirming, pursuant to the procedure in subdivision (c),  
18 that, as of the most recently completed fiscal year of the  
19 partnership, it had a net worth equal to or exceeding fifteen million  
20 dollars (\$15,000,000).

21 (3) For claims based upon acts, errors, or omissions arising out  
22 of the practice of architecture, a registered limited liability  
23 partnership or foreign limited liability partnership providing  
24 architectural services shall comply with one, or pursuant to  
25 subdivision (b) some combination, of the following:

26 (A) Maintaining a policy or policies of insurance against liability  
27 imposed on or against it by law for damages arising out of claims;  
28 however, the total aggregate limit of liability under the policy or  
29 policies of insurance for partnerships with five or fewer licensees  
30 rendering professional services on behalf of the partnership shall  
31 not be less than one million dollars (\$1,000,000), and for  
32 partnerships with more than five licensees rendering professional  
33 services on behalf of the partnership, an additional one hundred  
34 thousand dollars (\$100,000) of liability coverage shall be obtained  
35 for each additional licensee; however, the total aggregate limit of  
36 liability under the policy or policies of insurance is not required  
37 to exceed five million dollars (\$5,000,000). The policy or policies  
38 may be issued on a claims-made or occurrence basis, and shall  
39 cover: (i) in the case of a claims-made policy, claims initially  
40 asserted in the designated period, and (ii) in the case of an

1 occurrence policy, occurrences during the designated period. For  
2 purposes of this subparagraph, “designated period” means a policy  
3 year or any other period designated in the policy that is not greater  
4 than 12 months. The impairment or exhaustion of the aggregate  
5 limit of liability by amounts paid under the policy in connection  
6 with the settlement, discharge, or defense of claims applicable to  
7 a designated period shall not require the partnership to acquire  
8 additional insurance coverage for that designated period. The policy  
9 or policies of insurance may be in a form reasonably available in  
10 the commercial insurance market and may be subject to those  
11 terms, conditions, exclusions, and endorsements that are typically  
12 contained in those policies. A policy or policies of insurance  
13 maintained pursuant to this subparagraph may be subject to a  
14 deductible or self-insured retention.

15 Upon the dissolution and winding up of the partnership, the  
16 partnership shall, with respect to any insurance policy or policies  
17 then maintained pursuant to this subparagraph, maintain or obtain  
18 an extended reporting period endorsement or equivalent provision  
19 in the maximum total aggregate limit of liability required to comply  
20 with this subparagraph for a minimum of three years if reasonably  
21 available from the insurer.

22 (B) Maintaining in trust or bank escrow, cash, bank certificates  
23 of deposit, United States Treasury obligations, bank letters of  
24 credit, or bonds of insurance or surety companies as security for  
25 payment of liabilities imposed by law for damages arising out of  
26 all claims; however, the maximum amount of security for  
27 partnerships with five or fewer licensees rendering professional  
28 services on behalf of the partnership shall not be less than one  
29 million dollars (\$1,000,000), and for partnerships with more than  
30 five licensees rendering professional services on behalf of the  
31 partnership, an additional one hundred thousand dollars (\$100,000)  
32 of security shall be obtained for each additional licensee; however,  
33 the maximum amount of security is not required to exceed five  
34 million dollars (\$5,000,000). The partnership remains in  
35 compliance with this section during a calendar year notwithstanding  
36 amounts paid during that calendar year from the accounts, funds,  
37 Treasury obligations, letters of credit, or bonds in defending,  
38 settling, or discharging claims of the type described in this  
39 paragraph, provided that the amount of those accounts, funds,  
40 Treasury obligations, letters of credit, or bonds was at least the

1 amount specified in the preceding sentence as of the first business  
2 day of that calendar year. Notwithstanding the pendency of other  
3 claims against the partnership, a registered limited liability  
4 partnership or foreign limited liability partnership shall be deemed  
5 to be in compliance with this subparagraph as to a claim if within  
6 30 days after the time that a claim is initially asserted through  
7 service of a summons, complaint, or comparable pleading in a  
8 judicial or administrative proceeding, the partnership has provided  
9 the required amount of security by designating and segregating  
10 funds in compliance with the requirements of this subparagraph.

11 (C) Unless the partnership has satisfied subparagraph (D), each  
12 partner of a registered limited liability partnership or foreign  
13 limited liability partnership providing architectural services, by  
14 virtue of that person's status as a partner, thereby automatically  
15 guarantees payment of the difference between the maximum  
16 amount of security required for the partnership by this paragraph  
17 and the security otherwise provided in accordance with  
18 subparagraphs (A) and (B), provided that the aggregate amount  
19 paid by all partners under these guarantees shall not exceed the  
20 difference. Neither withdrawal by a partner nor the dissolution and  
21 winding up of the partnership shall affect the rights or obligations  
22 of a partner arising prior to withdrawal or dissolution and winding  
23 up, and the guarantee provided for in this subparagraph shall apply  
24 only to conduct that occurred prior to the withdrawal or dissolution  
25 and winding up. Nothing contained in this subparagraph shall  
26 affect or impair the rights or obligations of the partners among  
27 themselves, or the partnership, including, but not limited to, rights  
28 of contribution, subrogation, or indemnification.

29 (D) Confirming, pursuant to the procedure in subdivision (c),  
30 that, as of the most recently completed fiscal year of the  
31 partnership, it had a net worth equal to or exceeding ten million  
32 dollars (\$10,000,000).

33 (4) For claims based upon acts, errors, or omissions arising out  
34 of the practice of engineering or the practice of land surveying, a  
35 registered limited liability partnership or foreign limited liability  
36 partnership providing engineering or land surveying services shall  
37 comply with one, or pursuant to subdivision (b) some combination,  
38 of the following:

39 (A) Maintaining a policy or policies of insurance against liability  
40 imposed on or against it by law for damages arising out of claims;

1 however, the total aggregate limit of liability under the policy or  
2 policies of insurance for partnerships with five or fewer licensees  
3 rendering professional services on behalf of the partnership shall  
4 not be less than two million dollars (\$2,000,000), and for  
5 partnerships with more than five licensees rendering professional  
6 services on behalf of the partnership, an additional one hundred  
7 thousand dollars (\$100,000) of liability coverage shall be obtained  
8 for each additional licensee; however, the total aggregate limit of  
9 liability under the policy or policies of insurance is not required  
10 to exceed five million dollars (\$5,000,000). The policy or policies  
11 may be issued on a claims-made or occurrence basis, and shall  
12 cover: (i) in the case of a claims-made policy, claims initially  
13 asserted in the designated period, and (ii) in the case of an  
14 occurrence policy, occurrences during the designated period. For  
15 purposes of this subparagraph, “designated period” means a policy  
16 year or any other period designated in the policy that is not greater  
17 than 12 months. The impairment or exhaustion of the aggregate  
18 limit of liability by amounts paid under the policy in connection  
19 with the settlement, discharge, or defense of claims applicable to  
20 a designated period shall not require the partnership to acquire  
21 additional insurance coverage for that designated period. The policy  
22 or policies of insurance may be in a form reasonably available in  
23 the commercial insurance market and may be subject to those  
24 terms, conditions, exclusions, and endorsements that are typically  
25 contained in those policies. A policy or policies of insurance  
26 maintained pursuant to this subparagraph may be subject to a  
27 deductible or self-insured retention.

28 Upon the dissolution and winding up of the partnership, the  
29 partnership shall, with respect to any insurance policy or policies  
30 then maintained pursuant to this subparagraph, maintain or obtain  
31 an extended reporting period endorsement or equivalent provision  
32 in the maximum total aggregate limit of liability required to comply  
33 with this subparagraph for a minimum of three years if reasonably  
34 available from the insurer.

35 (B) Maintaining in trust or bank escrow, cash, bank certificates  
36 of deposit, United States Treasury obligations, bank letters of  
37 credit, or bonds of insurance or surety companies as security for  
38 payment of liabilities imposed by law for damages arising out of  
39 all claims; however, the maximum amount of security for  
40 partnerships with five or fewer licensees rendering professional



1 services on behalf of the partnership shall not be less than two  
2 million dollars (\$2,000,000), and for partnerships with more than  
3 five licensees rendering professional services on behalf of the  
4 partnership, an additional one hundred thousand dollars (\$100,000)  
5 of security shall be obtained for each additional licensee; however,  
6 the maximum amount of security is not required to exceed five  
7 million dollars (\$5,000,000). The partnership remains in  
8 compliance with this section during a calendar year,  
9 notwithstanding amounts paid during that calendar year from the  
10 accounts, funds, Treasury obligations, letters of credit, or bonds  
11 in defending, settling, or discharging claims of the type described  
12 in this paragraph, provided that the amount of those accounts,  
13 funds, Treasury obligations, letters of credit, or bonds was at least  
14 the amount specified in the preceding sentence as of the first  
15 business day of that calendar year. Notwithstanding the pendency  
16 of other claims against the partnership, a registered limited liability  
17 partnership or foreign limited liability partnership shall be deemed  
18 to be in compliance with this subparagraph as to a claim if, within  
19 30 days after the time that a claim is initially asserted through  
20 service of a summons, complaint, or comparable pleading in a  
21 judicial or administrative proceeding, the partnership has provided  
22 the required amount of security by designating and segregating  
23 funds in compliance with the requirements of this subparagraph.

24 (C) Unless the partnership has satisfied subparagraph (D), each  
25 partner of a registered limited liability partnership or foreign  
26 limited liability partnership providing engineering services or land  
27 surveying services, by virtue of that person's status as a partner,  
28 thereby automatically guarantees payment of the difference  
29 between the maximum amount of security required for the  
30 partnership by this paragraph and the security otherwise provided  
31 in accordance with subparagraphs (A) and (B), provided that the  
32 aggregate amount paid by all partners under these guarantees shall  
33 not exceed the difference. Neither withdrawal by a partner nor the  
34 dissolution and winding up of the partnership shall affect the rights  
35 or obligations of a partner arising prior to withdrawal or dissolution  
36 and winding up, and the guarantee provided for in this  
37 subparagraph shall apply only to conduct that occurred prior to  
38 the withdrawal or dissolution and winding up. Nothing contained  
39 in this subparagraph shall affect or impair the rights or obligations  
40 of the partners among themselves, or the partnership, including,

1 but not limited to, rights of contribution, subrogation, or  
2 indemnification.

3 (D) Confirming, pursuant to the procedure in subdivision (c),  
4 that, as of the most recently completed fiscal year of the  
5 partnership, it had a net worth equal to or exceeding ten million  
6 dollars (\$10,000,000).

7 (b) For purposes of satisfying the security requirements of this  
8 section, a registered limited liability partnership or foreign limited  
9 liability partnership may aggregate the security provided by it  
10 pursuant to subparagraphs (A), (B), (C), and (D) of paragraph (1)  
11 of subdivision (a), subparagraphs (A), (B), (C), and (D) of  
12 paragraph (2) of subdivision (a), subparagraphs (A), (B), (C), and  
13 (D) of paragraph (3) of subdivision (a), or subparagraphs (A), (B),  
14 (C), and (D) of paragraph (4) of subdivision (a), as the case may  
15 be. Any registered limited liability partnership or foreign limited  
16 liability partnership intending to comply with the alternative  
17 security provisions set forth in subparagraph (D) of paragraph (1)  
18 of subdivision (a), subparagraph (D) of paragraph (2) of subdivision  
19 (a), subparagraph (D) of paragraph (3) of subdivision (a), or  
20 subparagraph (D) of paragraph (4) of subdivision (a), shall furnish  
21 the following information to the Secretary of State’s office, in the  
22 manner prescribed in, and accompanied by all information required  
23 by, the applicable section:

24  
25 TRANSMITTAL FORM FOR EVIDENCING COMPLIANCE  
26 WITH SECTION 16956(a)(1)(D), SECTION 16956(a)(2)(D),  
27 SECTION 16956(a)(3)(D), OR SECTION 16956(a)(4)(D) OF THE  
28 CALIFORNIA CORPORATIONS CODE  
29

30 The undersigned hereby confirms the following:

- 31 1. \_\_\_\_\_
- 32 Name of registered or foreign limited liability partnership
- 33 2. \_\_\_\_\_
- 34 Jurisdiction where partnership is organized
- 35 3. \_\_\_\_\_
- 36 Address of principal office

1 4. The registered or foreign limited liability partnership chooses  
 2 to satisfy the requirements of Section 16956 by confirming,  
 3 pursuant to Section 16956(a)(1)(D), 16956(a)(2)(D),  
 4 16956(a)(3)(D), or 16956(a)(4)(D) and pursuant to Section 16956(c),  
 5 that, as of the most recently completed fiscal year, the partnership had  
 6 a net worth equal to or exceeding ten million dollars  
 7 (\$10,000,000), in the case of a partnership providing  
 8 accountancy services, fifteen million dollars (\$15,000,000),  
 9 in the case of a partnership providing legal services, or  
 10 ten million dollars (\$10,000,000), in the case of a partnership  
 11 providing architectural services, engineering services, or land surveying  
 12 services.

13 5. \_\_\_\_\_  
 14 Title of authorized person executing this form

15 6. \_\_\_\_\_  
 16 Signature of authorized person executing this form

17  
 18 (c) Pursuant to subparagraph (D) of paragraph (1) of subdivision  
 19 (a), subparagraph (D) of paragraph (2) of subdivision (a),  
 20 subparagraph (D) of paragraph (3) of subdivision (a), or  
 21 subparagraph (D) of paragraph (4) of subdivision (a), a registered  
 22 limited liability partnership or foreign limited liability partnership  
 23 may satisfy the requirements of this section by confirming that, as  
 24 of the last day of its most recently completed fiscal year, it had a  
 25 net worth equal to or exceeding the amount required. In order to  
 26 comply with this alternative method of meeting the requirements  
 27 established in this section, a registered limited liability partnership  
 28 or foreign limited liability partnership shall file an annual  
 29 confirmation with the Secretary of State’s office, signed by an  
 30 authorized member of the registered limited liability partnership  
 31 or foreign limited liability partnership, accompanied by a  
 32 transmittal form as prescribed by subdivision (b). In order to be  
 33 current in a given year, the partnership form for confirming  
 34 compliance with the optional security requirement shall be on file  
 35 within four months of the completion of the fiscal year and, upon  
 36 being filed, shall constitute full compliance with the financial  
 37 security requirements for purposes of this section as of the  
 38 beginning of the fiscal year. A confirmation filed during any  
 39 particular fiscal year shall continue to be effective for the first four  
 40 months of the next succeeding fiscal year.

1 (d) Neither the existence of the requirements of subdivision (a)  
2 nor the extent of the registered limited liability partnership's or  
3 foreign limited liability partnership's compliance with the  
4 alternative requirements in this section shall be admissible in court  
5 or in any way be made known to a jury or other trier of fact in  
6 determining an issue of liability for, or to the extent of, the damages  
7 in question.

8 (e) Notwithstanding any other provision of this section, if a  
9 registered limited liability partnership or foreign limited liability  
10 partnership is otherwise in compliance with the terms of this section  
11 at the time that a bankruptcy or other insolvency proceeding is  
12 commenced with respect to the registered limited liability  
13 partnership or foreign limited liability partnership, it shall be  
14 deemed to be in compliance with this section during the pendency  
15 of the proceeding. A registered limited liability partnership that  
16 has been the subject of a proceeding and that conducts business  
17 after the proceeding ends shall thereafter comply with paragraph  
18 (1), (2), (3), or (4) of subdivision (a), in order to obtain the  
19 limitations on liability afforded by subdivision (c) of Section  
20 16306.

21 *(f) This section shall remain in effect only until January 1, 2034,*  
22 *and as of that date is repealed.*

23 ~~SEC. 13. Section 16956 of the Corporations Code, as amended~~  
24 ~~by Section 8 of Chapter 150 of the Statutes of 2018, is repealed.~~

25 *SEC. 13. Section 16956 of the Corporations Code, as amended*  
26 *by Section 8 of Chapter 150 of the Statutes of 2018, is amended*  
27 *to read:*

28 16956. (a) At the time of registration pursuant to Section  
29 16953, in the case of a registered limited liability partnership, and  
30 Section 16959, in the case of a foreign limited liability partnership,  
31 and at all times during which those partnerships shall transact  
32 intrastate business, every registered limited liability partnership  
33 and foreign limited liability partnership, as the case may be, shall  
34 be required to provide security for claims against it as follows:

35 (1) For claims based upon acts, errors, or omissions arising out  
36 of the practice of public accountancy, a registered limited liability  
37 partnership or foreign limited liability partnership providing  
38 accountancy services shall comply with one, or pursuant to  
39 subdivision (b) some combination, of the following:

1 (A) Maintaining a policy or policies of insurance against liability  
2 imposed on or against it by law for damages arising out of claims;  
3 however, the total aggregate limit of liability under the policy or  
4 policies of insurance for partnerships with five or fewer licensed  
5 persons shall not be less than one million dollars (\$1,000,000),  
6 and for partnerships with more than five licensees rendering  
7 professional services on behalf of the partnership, an additional  
8 one hundred thousand dollars (\$100,000) of insurance shall be  
9 obtained for each additional licensee; however, the maximum  
10 amount of insurance is not required to exceed five million dollars  
11 (\$5,000,000) in any one designated period, less amounts paid in  
12 defending, settling, or discharging claims as set forth in this  
13 subparagraph. The policy or policies may be issued on a  
14 claims-made or occurrence basis, and shall cover: (i) in the case  
15 of a claims-made policy, claims initially asserted in the designated  
16 period, and (ii) in the case of an occurrence policy, occurrences  
17 during the designated period. For purposes of this subparagraph,  
18 “designated period” means a policy year or any other period  
19 designated in the policy that is not greater than 12 months. The  
20 impairment or exhaustion of the aggregate limit of liability by  
21 amounts paid under the policy in connection with the settlement,  
22 discharge, or defense of claims applicable to a designated period  
23 shall not require the partnership to acquire additional insurance  
24 coverage for that designated period. The policy or policies of  
25 insurance may be in a form reasonably available in the commercial  
26 insurance market and may be subject to those terms, conditions,  
27 exclusions, and endorsements that are typically contained in those  
28 policies. A policy or policies of insurance maintained pursuant to  
29 this subparagraph may be subject to a deductible or self-insured  
30 retention.

31 Upon the dissolution and winding up of the partnership, the  
32 partnership shall, with respect to any insurance policy or policies  
33 then maintained pursuant to this subparagraph, maintain or obtain  
34 an extended reporting period endorsement or equivalent provision  
35 in the maximum total aggregate limit of liability required to comply  
36 with this subparagraph for a minimum of three years if reasonably  
37 available from the insurer.

38 (B) Maintaining in trust or bank escrow, cash, bank certificates  
39 of deposit, United States Treasury obligations, bank letters of  
40 credit, or bonds of insurance or surety companies as security for

1 payment of liabilities imposed by law for damages arising out of  
2 all claims; however, the maximum amount of security for  
3 partnerships with five or fewer licensed persons shall not be less  
4 than one million dollars (\$1,000,000), and for partnerships with  
5 more than five licensees rendering professional services on behalf  
6 of the partnership, an additional one hundred thousand dollars  
7 (\$100,000) of security shall be obtained for each additional  
8 licensee; however, the maximum amount of security is not required  
9 to exceed five million dollars (\$5,000,000). The partnership  
10 remains in compliance with this section during a calendar year  
11 notwithstanding amounts paid during that calendar year from the  
12 accounts, funds, Treasury obligations, letters of credit, or bonds  
13 in defending, settling, or discharging claims of the type described  
14 in this paragraph, provided that the amount of those accounts,  
15 funds, Treasury obligations, letters of credit, or bonds was at least  
16 the amount specified in the preceding sentence as of the first  
17 business day of that calendar year. Notwithstanding the pendency  
18 of other claims against the partnership, a registered limited liability  
19 partnership or foreign limited liability partnership shall be deemed  
20 to be in compliance with this subparagraph as to a claim if within  
21 30 days after the time that a claim is initially asserted through  
22 service of a summons, complaint, or comparable pleading in a  
23 judicial or administrative proceeding, the partnership has provided  
24 the required amount of security by designating and segregating  
25 funds in compliance with the requirements of this subparagraph.

26 (C) Unless the partnership has satisfied subparagraph (D), each  
27 partner of a registered limited liability partnership or foreign  
28 limited liability partnership providing accountancy services, by  
29 virtue of that person's status as a partner, thereby automatically  
30 guarantees payment of the difference between the maximum  
31 amount of security required for the partnership by this paragraph  
32 and the security otherwise provided in accordance with  
33 subparagraphs (A) and (B), provided that the aggregate amount  
34 paid by all partners under these guarantees shall not exceed the  
35 difference. Neither withdrawal by a partner nor the dissolution and  
36 winding up of the partnership shall affect the rights or obligations  
37 of a partner arising prior to withdrawal or dissolution and winding  
38 up, and the guarantee provided for in this subparagraph shall apply  
39 only to conduct that occurred prior to the withdrawal or dissolution  
40 and winding up. Nothing contained in this subparagraph shall

1 affect or impair the rights or obligations of the partners among  
2 themselves, or the partnership, including, but not limited to, rights  
3 of contribution, subrogation, or indemnification.

4 (D) Confirming, pursuant to the procedure in subdivision (c),  
5 that, as of the most recently completed fiscal year of the  
6 partnership, it had a net worth equal to or exceeding ten million  
7 dollars (\$10,000,000).

8 (2) For claims based upon acts, errors, or omissions arising out  
9 of the practice of law, a registered limited liability partnership or  
10 foreign limited liability partnership providing legal services shall  
11 comply with one, or pursuant to subdivision (b) some combination,  
12 of the following:

13 (A) Each registered limited liability partnership or foreign  
14 limited liability partnership providing legal services shall maintain  
15 a policy or policies of insurance against liability imposed on or  
16 against it by law for damages arising out of claims; however, the  
17 total aggregate limit of liability under the policy or policies of  
18 insurance for partnerships with five or fewer licensed persons shall  
19 not be less than one million dollars (\$1,000,000), and for  
20 partnerships with more than five licensees rendering professional  
21 services on behalf of the partnership, an additional one hundred  
22 thousand dollars (\$100,000) of insurance shall be obtained for  
23 each additional licensee; however, the maximum amount of  
24 insurance is not required to exceed seven million five hundred  
25 thousand dollars (\$7,500,000) in any one designated period, less  
26 amounts paid in defending, settling, or discharging claims as set  
27 forth in this subparagraph. The policy or policies may be issued  
28 on a claims-made or occurrence basis, and shall cover (i) in the  
29 case of a claims-made policy, claims initially asserted in the  
30 designated period, and (ii) in the case of an occurrence policy,  
31 occurrences during the designated period. For purposes of this  
32 subparagraph, “designated period” means a policy year or any  
33 other period designated in the policy that is not greater than 12  
34 months. The impairment or exhaustion of the aggregate limit of  
35 liability by amounts paid under the policy in connection with the  
36 settlement, discharge, or defense of claims applicable to a  
37 designated period shall not require the partnership to acquire  
38 additional insurance coverage for that designated period. The policy  
39 or policies of insurance may be in a form reasonably available in  
40 the commercial insurance market and may be subject to those

1 terms, conditions, exclusions, and endorsements that are typically  
2 contained in those policies. A policy or policies of insurance  
3 maintained pursuant to this subparagraph may be subject to a  
4 deductible or self-insured retention.

5 Upon the dissolution and winding up of the partnership, the  
6 partnership shall, with respect to any insurance policy or policies  
7 then maintained pursuant to this subparagraph, maintain or obtain  
8 an extended reporting period endorsement or equivalent provision  
9 in the maximum total aggregate limit of liability required to comply  
10 with this subparagraph for a minimum of three years if reasonably  
11 available from the insurer.

12 (B) Each registered limited liability partnership or foreign  
13 limited liability partnership providing legal services shall maintain  
14 in trust or bank escrow, cash, bank certificates of deposit, United  
15 States Treasury obligations, bank letters of credit, or bonds of  
16 insurance or surety companies as security for payment of liabilities  
17 imposed by law for damages arising out of all claims; however,  
18 the maximum amount of security for partnerships with five or  
19 fewer licensed persons shall not be less than one million dollars  
20 (\$1,000,000), and for partnerships with more than five licensees  
21 rendering professional services on behalf of the partnership, an  
22 additional one hundred thousand dollars (\$100,000) of security  
23 shall be obtained for each additional licensee; however, the  
24 maximum amount of security is not required to exceed seven  
25 million five hundred thousand dollars (\$7,500,000). The partnership  
26 remains in compliance with this section during a calendar year  
27 notwithstanding amounts paid during that calendar year from the  
28 accounts, funds, Treasury obligations, letters of credit, or bonds  
29 in defending, settling, or discharging claims of the type described  
30 in this paragraph, provided that the amount of those accounts,  
31 funds, Treasury obligations, letters of credit, or bonds was at least  
32 the amount specified in the preceding sentence as of the first  
33 business day of that calendar year. Notwithstanding the pendency  
34 of other claims against the partnership, a registered limited liability  
35 partnership or foreign limited liability partnership shall be deemed  
36 to be in compliance with this subparagraph as to a claim if within  
37 30 days after the time that a claim is initially asserted through  
38 service of a summons, complaint, or comparable pleading in a  
39 judicial or administrative proceeding, the partnership has provided



1 the required amount of security by designating and segregating  
2 funds in compliance with the requirement of this subparagraph.

3 (C) Unless the partnership has satisfied the requirements of  
4 subparagraph (D), each partner of a registered limited liability  
5 partnership or foreign limited liability partnership providing legal  
6 services, by virtue of that person's status as a partner, thereby  
7 automatically guarantees payment of the difference between the  
8 maximum amount of security required for the partnership by this  
9 paragraph and the security otherwise provided in accordance with  
10 the provisions of subparagraphs (A) and (B), provided that the  
11 aggregate amount paid by all partners under these guarantees shall  
12 not exceed the difference. Neither withdrawal by a partner nor the  
13 dissolution and winding up of the partnership shall affect the rights  
14 or obligations of a partner arising prior to withdrawal or dissolution  
15 and winding up, and the guarantee provided for in this  
16 subparagraph shall apply only to conduct that occurred prior to  
17 the withdrawal or dissolution and winding up. Nothing contained  
18 in this subparagraph shall affect or impair the rights or obligations  
19 of the partners among themselves, or the partnership, including,  
20 but not limited to, rights of contribution, subrogation, or  
21 indemnification.

22 (D) Confirming, pursuant to the procedure in subdivision (c),  
23 that, as of the most recently completed fiscal year of the  
24 partnership, it had a net worth equal to or exceeding fifteen million  
25 dollars (\$15,000,000).

26 (b) For purposes of satisfying the security requirements of this  
27 section, a registered limited liability partnership or foreign limited  
28 liability partnership may aggregate the security provided by it  
29 pursuant to subparagraphs (A), (B), (C), and (D) of paragraph (1)  
30 of subdivision (a) or subparagraphs (A), (B), (C), and (D) of  
31 paragraph (2) of subdivision (a) as the case may be. Any registered  
32 limited liability partnership or foreign limited liability partnership  
33 intending to comply with the alternative security provisions set  
34 forth in subparagraph (D) of paragraph (1) of subdivision (a) or  
35 subparagraph (D) of paragraph (2) of subdivision (a) shall furnish  
36 the following information to the Secretary of State's office, in the

1 manner prescribed in, and accompanied by all information required  
2 by, the applicable section:

3  
4 TRANSMITTAL FORM FOR EVIDENCING COMPLIANCE  
5 WITH SECTION 16956(a)(1)(D) or SECTION 16956(a)(2)(D) OF THE  
6 CALIFORNIA  
7 CORPORATIONS CODE

8  
9 The undersigned hereby confirms the following:

- 10 1. \_\_\_\_\_  
11 Name of registered or foreign limited liability partnership
- 12 2. \_\_\_\_\_  
13 Jurisdiction where partnership is organized
- 14 3. \_\_\_\_\_  
15 Address of principal office
- 16 4. The registered or foreign limited liability partnership chooses  
17 to satisfy the requirements of Section 16956 by confirming,  
18 pursuant to Section 16956(a)(1)(D) or 16956(a)(2)(D) and pursuant to  
19 Section 16956(c), that, as of  
20 the most recently completed fiscal year, the partnership had  
21 a net worth equal to or exceeding ten million dollars  
22 (\$10,000,000), in the case of a partnership providing  
23 accountancy services or fifteen million dollars (\$15,000,000)  
24 in the case of a partnership providing legal services.
- 25 5. \_\_\_\_\_  
26 Title of authorized person executing this form
- 27 6. \_\_\_\_\_  
28 Signature of authorized person executing this form

29  
30 (c) Pursuant to subparagraph (D) of paragraph (1) of subdivision  
31 (a) or subparagraph (D) of paragraph (2) of subdivision (a), a  
32 registered limited liability partnership or foreign limited liability  
33 partnership may satisfy the requirements of this section by  
34 confirming that, as of the last day of its most recently completed  
35 fiscal year, it had a net worth equal to or exceeding the amount  
36 required. In order to comply with this alternative method of  
37 meeting the requirements established in this section, a registered  
38 limited liability partnership or foreign limited liability partnership  
39 shall file an annual confirmation with the Secretary of State's  
40 office, signed by an authorized member of the registered limited

1 liability partnership or foreign limited liability partnership,  
2 accompanied by a transmittal form as prescribed by subdivision  
3 (b). In order to be current in a given year, the partnership form for  
4 confirming compliance with the optional security requirement  
5 shall be on file within four months of the completion of the fiscal  
6 year and, upon being filed, shall constitute full compliance with  
7 the financial security requirements for purposes of this section as  
8 of the beginning of the fiscal year. A confirmation filed during  
9 any particular fiscal year shall continue to be effective for the first  
10 four months of the next succeeding fiscal year.

11 (d) Neither the existence of the requirements of subdivision (a)  
12 nor the extent of the registered limited liability partnership's or  
13 foreign limited liability partnership's compliance with the  
14 alternative requirements in this section shall be admissible in court  
15 or in any way be made known to a jury or other trier of fact in  
16 determining an issue of liability for, or to the extent of, the damages  
17 in question.

18 (e) Notwithstanding any other provision of this section, if a  
19 registered limited liability partnership or foreign limited liability  
20 partnership is otherwise in compliance with the terms of this section  
21 at the time that a bankruptcy or other insolvency proceeding is  
22 commenced with respect to the registered limited liability  
23 partnership or foreign limited liability partnership, it shall be  
24 deemed to be in compliance with this section during the pendency  
25 of the proceeding. A registered limited liability partnership that  
26 has been the subject of a proceeding and that conducts business  
27 after the proceeding ends shall thereafter comply with paragraph  
28 (1) or (2) of subdivision (a), in order to obtain the limitations on  
29 liability afforded by subdivision (c) of Section 16306.

30 (f) This section shall become operative on January 1, ~~2026~~.  
31 ~~2034~~.

32 SEC. 14. Section 16959 of the Corporations Code, as amended  
33 by Section 113 of Chapter 617 of the Statutes of 2022, is amended  
34 to read:

35 16959. (a) (1) Before transacting intrastate business in this  
36 state, a foreign limited liability partnership shall comply with all  
37 statutory and administrative registration or filing requirements of  
38 the state board, commission, or agency that prescribes the rules  
39 and regulations governing a particular profession in which the  
40 partnership proposes to be engaged, pursuant to the applicable

1 provisions of the Business and Professions Code relating to the  
2 profession or applicable rules adopted by the governing board. A  
3 foreign limited liability partnership that transacts intrastate business  
4 in this state shall within 30 days after the effective date of the act  
5 enacting this section or the date on which the foreign limited  
6 liability partnership first transacts intrastate business in this state,  
7 whichever is later, register with the Secretary of State by submitting  
8 to the Secretary of State an application for registration as a foreign  
9 limited liability partnership, signed by a person with authority to  
10 do so under the laws of the jurisdiction of formation of the foreign  
11 limited liability partnership, stating the name of the partnership,  
12 the street address of its principal office, the mailing address of the  
13 principal office if different from the street address, the name and  
14 street address of its agent for service of process in this state in  
15 accordance with subdivision (a) of Section 16309, a brief statement  
16 of the business in which the partnership engages, and any other  
17 matters that the partnership determines to include.

18 (2) Annexed to the application for registration shall be a  
19 certificate from an authorized public official of the foreign limited  
20 liability partnership's jurisdiction of organization to the effect that  
21 the foreign limited liability partnership is in good standing in that  
22 jurisdiction, if the laws of that jurisdiction permit the issuance of  
23 those certificates, or, in the alternative, a statement by the foreign  
24 limited liability partnership that the laws of its jurisdiction of  
25 organization do not permit the issuance of those certificates.

26 (b) The registration shall be accompanied by a fee as set forth  
27 in subdivision (b) of Section 12189 of the Government Code.

28 (c) If the Secretary of State finds that an application for  
29 registration conforms to law and all requisite fees have been paid,  
30 the Secretary of State shall issue a certificate of registration to  
31 transact intrastate business in this state.

32 (d) The Secretary of State may cancel the filing of the  
33 registration if a check or other remittance accepted in payment of  
34 the filing fee is not paid upon presentation. Within 90 days of  
35 receiving written notification that the item presented for payment  
36 has not been honored for payment, the Secretary of State shall give  
37 a first written notice of the applicability of this section to the agent  
38 for service of process or to the person submitting the instrument.  
39 Thereafter, if the amount has not been paid by cashier's check or  
40 equivalent, the Secretary of State shall give a second written notice

1 of cancellation and the cancellation shall thereupon be effective.  
2 The second notice shall be given 20 days or more after the first  
3 notice.

4 (e) A partnership becomes registered as a foreign limited liability  
5 partnership at the time of the filing of the initial registration with  
6 the Secretary of State or at any later date or time specified in the  
7 registration and the payment of the fee required by subdivision  
8 (b). A partnership continues to be registered as a foreign limited  
9 liability partnership until a notice that it is no longer so registered  
10 as a foreign limited liability partnership has been filed pursuant to  
11 Section 16960 or, if applicable, once it has been dissolved and  
12 finally wound up. The status of a partnership registered as a foreign  
13 limited liability partnership and the liability of a partner of that  
14 foreign limited liability partnership shall not be adversely affected  
15 by errors or subsequent changes in the information stated in an  
16 application for registration under subdivision (a) or an amended  
17 registration or notice under Section 16960.

18 (f) The fact that a registration or amended registration pursuant  
19 to Section 16960 is on file with the Secretary of State is notice that  
20 the partnership is a foreign limited liability partnership and of those  
21 other facts contained therein that are required to be set forth in the  
22 registration or amended registration.

23 (g) The Secretary of State shall provide a form for a registration  
24 under subdivision (a), which shall include the form for confirming  
25 compliance with the optional security requirement pursuant to  
26 subdivision (c) of Section 16956. The Secretary of State shall  
27 include with instructional materials, provided in conjunction with  
28 the form for registration under subdivision (a), a notice that filing  
29 the registration will obligate the limited liability partnership to pay  
30 an annual tax for that taxable year to the Franchise Tax Board  
31 pursuant to Section 17948 of the Revenue and Taxation Code.  
32 That notice shall be updated annually to specify the dollar amount  
33 of this tax.

34 (h) A foreign limited liability partnership transacting intrastate  
35 business in this state shall not maintain any action, suit, or  
36 proceeding in any court of this state until it has registered in this  
37 state pursuant to this section.

38 (i) Any foreign limited liability partnership that transacts  
39 intrastate business in this state without registration is subject to a  
40 penalty of twenty dollars (\$20) for each day that unauthorized

1 intrastate business is transacted, up to a maximum of ten thousand  
2 dollars (\$10,000).

3 (j) A partner of a foreign limited liability partnership is not liable  
4 for the debts or obligations of the foreign limited liability  
5 partnership solely by reason of its having transacted business in  
6 this state without registration.

7 (k) A foreign limited liability partnership, transacting business  
8 in this state without registration, appoints the Secretary of State  
9 as its agent for service of process with respect to causes of action  
10 arising out of the transaction of business in this state.

11 (l) "Transact intrastate business" as used in this section means  
12 to repeatedly and successively provide professional limited liability  
13 partnership services in this state, other than in interstate or foreign  
14 commerce.

15 (m) Without excluding other activities that may not be  
16 considered to be transacting intrastate business, a foreign limited  
17 liability partnership shall not be considered to be transacting  
18 intrastate business merely because its subsidiary or affiliate  
19 transacts intrastate business, or merely because of its status as any  
20 one or more of the following:

21 (1) A shareholder of a domestic corporation.

22 (2) A shareholder of a foreign corporation transacting intrastate  
23 business.

24 (3) A limited partner of a foreign limited partnership transacting  
25 intrastate business.

26 (4) A limited partner of a domestic limited partnership.

27 (5) A member or manager of a foreign limited liability company  
28 transacting intrastate business.

29 (6) A member or manager of a domestic limited liability  
30 company.

31 (n) Without excluding other activities that may not be considered  
32 to be transacting intrastate business, a foreign limited liability  
33 partnership shall not be considered to be transacting intrastate  
34 business within the meaning of this subdivision solely by reason  
35 of carrying on in this state any one or more of the following  
36 activities:

37 (1) Maintaining or defending any action or suit or any  
38 administrative or arbitration proceeding, or effecting the settlement  
39 thereof or the settlement of claims or disputes.

1 (2) Holding meetings of its partners or carrying on any other  
2 activities concerning its internal affairs.

3 (3) Maintaining bank accounts.

4 (4) Maintaining offices or agencies for the transfer, exchange,  
5 and registration of the foreign limited liability partnership's  
6 securities or maintaining trustees or depositories with respect to  
7 those securities.

8 (5) Effecting sales through independent contractors.

9 (6) Soliciting or procuring orders, whether by mail or through  
10 employees or agents or otherwise, where those orders require  
11 acceptance without this state before becoming binding contracts.

12 (7) Creating or acquiring evidences of debt or mortgages, liens,  
13 or security interest in real or personal property.

14 (8) Securing or collecting debts or enforcing mortgages and  
15 security interests in property securing the debts.

16 (9) Conducting an isolated transaction that is completed within  
17 180 days and not in the course of a number of repeated transactions  
18 of a like nature.

19 (o) A person shall not be deemed to be transacting intrastate  
20 business in this state merely because of its status as a partner of a  
21 registered limited liability partnership or a foreign limited liability  
22 company whether or not registered to transact intrastate business  
23 in this state.

24 (p) The Attorney General may bring an action to restrain a  
25 foreign limited liability partnership from transacting intrastate  
26 business in this state in violation of this chapter.

27 (q) Nothing in this section is intended to, or shall, augment,  
28 diminish, or otherwise alter existing provisions of law, statutes,  
29 or court rules relating to services by a California architect,  
30 California public accountant, California engineer, California land  
31 surveyor, or California attorney in another jurisdiction, or services  
32 by an out-of-state architect, out-of-state public accountant,  
33 out-of-state engineer, out-of-state land surveyor, or out-of-state  
34 attorney in California.

35 (r) An agent designated for service of process may deliver to  
36 the Secretary of State, on a form prescribed by the Secretary of  
37 State for filing, a signed and acknowledged written statement of  
38 resignation as an agent for service of process containing the name  
39 of the foreign limited liability partnership and Secretary of State's  
40 file number of the foreign limited liability partnership, the name

1 of the resigning agent for service of process, and a statement that  
2 the agent is resigning. On filing of the statement of resignation,  
3 the authority of the agent to act in that capacity shall cease and the  
4 Secretary of State shall mail or otherwise provide written notice  
5 of the filing of the statement of resignation to the foreign limited  
6 liability partnership at its principal office.

7 (s) The resignation of an agent may be effective if, on a form  
8 prescribed by the Secretary of State containing the name of the  
9 foreign limited liability partnership and Secretary of State's file  
10 number for the foreign limited liability partnership and the name  
11 of the agent for service of process, the agent disclaims having been  
12 properly appointed as the agent.

13 (t) If an individual who has been designated agent for service  
14 of process dies or resigns or no longer resides in the state, or if the  
15 corporate agent for that purpose resigns, dissolves, withdraws from  
16 the state, forfeits its right to transact intrastate business, has its  
17 corporate rights, powers, and privileges suspended, or ceases to  
18 exist, the foreign limited liability partnership shall promptly file  
19 an amended application for registration as a foreign limited liability  
20 partnership designating a new agent.

21 (u) The Secretary of State may destroy or otherwise dispose of  
22 any resignation filed pursuant to this section after a new application  
23 for registration as a foreign limited liability partnership is filed  
24 pursuant to this section replacing the agent for service of process  
25 that has resigned.

26 (v) *This section shall remain in effect only until January 1, 2034,*  
27 *and as of that date is repealed.*

28 ~~SEC. 15. Section 16959 of the Corporations Code, as amended~~  
29 ~~by Section 114 of Chapter 617 of the Statutes of 2022, is repealed.~~

30 *SEC. 15. Section 16959 of the Corporations Code, as amended*  
31 *by Section 114 of Chapter 617 of the Statutes of 2022, is amended*  
32 *to read:*

33 16959. (a) (1) Before transacting intrastate business in this  
34 state, a foreign limited liability partnership shall comply with all  
35 statutory and administrative registration or filing requirements of  
36 the state board, commission, or agency that prescribes the rules  
37 and regulations governing a particular profession in which the  
38 partnership proposes to be engaged, pursuant to the applicable  
39 provisions of the Business and Professions Code relating to the  
40 profession or applicable rules adopted by the governing board. A



1 foreign limited liability partnership that transacts intrastate business  
2 in this state shall within 30 days after the effective date of the act  
3 enacting this section or the date on which the foreign limited  
4 liability partnership first transacts intrastate business in this state,  
5 whichever is later, register with the Secretary of State by submitting  
6 to the Secretary of State an application for registration as a foreign  
7 limited liability partnership, signed by a person with authority to  
8 do so under the laws of the jurisdiction of formation of the foreign  
9 limited liability partnership, stating the name of the partnership,  
10 the street address of its principal office, the mailing address of the  
11 principal office if different from the street address, the name and  
12 street address of its agent for service of process in this state in  
13 accordance with subdivision (a) of Section 16309, a brief statement  
14 of the business in which the partnership engages, and any other  
15 matters that the partnership determines to include.

16 (2) Annexed to the application for registration shall be a  
17 certificate from an authorized public official of the foreign limited  
18 liability partnership's jurisdiction of organization to the effect that  
19 the foreign limited liability partnership is in good standing in that  
20 jurisdiction, if the laws of that jurisdiction permit the issuance of  
21 those certificates, or, in the alternative, a statement by the foreign  
22 limited liability partnership that the laws of its jurisdiction of  
23 organization do not permit the issuance of those certificates.

24 (b) The registration shall be accompanied by a fee as set forth  
25 in subdivision (b) of Section 12189 of the Government Code.

26 (c) If the Secretary of State finds that an application for  
27 registration conforms to law and all requisite fees have been paid,  
28 the Secretary of State shall issue a certificate of registration to  
29 transact intrastate business in this state.

30 (d) The Secretary of State may cancel the filing of the  
31 registration if a check or other remittance accepted in payment of  
32 the filing fee is not paid upon presentation. Within 90 days of  
33 receiving written notification that the item presented for payment  
34 has not been honored for payment, the Secretary of State shall give  
35 a first written notice of the applicability of this section to the agent  
36 for service of process or to the person submitting the instrument.  
37 Thereafter, if the amount has not been paid by cashier's check or  
38 equivalent, the Secretary of State shall give a second written notice  
39 of cancellation and the cancellation shall thereupon be effective.

1 The second notice shall be given 20 days or more after the first  
2 notice.

3 (e) A partnership becomes registered as a foreign limited liability  
4 partnership at the time of the filing of the initial registration with  
5 the Secretary of State or at any later date or time specified in the  
6 registration and the payment of the fee required by subdivision  
7 (b). A partnership continues to be registered as a foreign limited  
8 liability partnership until a notice that it is no longer so registered  
9 as a foreign limited liability partnership has been filed pursuant to  
10 Section 16960 or, if applicable, once it has been dissolved and  
11 finally wound up. The status of a partnership registered as a foreign  
12 limited liability partnership and the liability of a partner of that  
13 foreign limited liability partnership shall not be adversely affected  
14 by errors or subsequent changes in the information stated in an  
15 application for registration under subdivision (a) or an amended  
16 registration or notice under Section 16960.

17 (f) The fact that a registration or amended registration pursuant  
18 to Section 16960 is on file with the Secretary of State is notice that  
19 the partnership is a foreign limited liability partnership and of those  
20 other facts contained therein that are required to be set forth in the  
21 registration or amended registration.

22 (g) The Secretary of State shall provide a form for a registration  
23 under subdivision (a), which shall include the form for confirming  
24 compliance with the optional security requirement pursuant to  
25 subdivision (c) of Section 16956. The Secretary of State shall  
26 include with instructional materials, provided in conjunction with  
27 the form for registration under subdivision (a), a notice that filing  
28 the registration will obligate the limited liability partnership to pay  
29 an annual tax for that taxable year to the Franchise Tax Board  
30 pursuant to Section 17948 of the Revenue and Taxation Code.  
31 That notice shall be updated annually to specify the dollar amount  
32 of this tax.

33 (h) A foreign limited liability partnership transacting intrastate  
34 business in this state shall not maintain any action, suit, or  
35 proceeding in any court of this state until it has registered in this  
36 state pursuant to this section.

37 (i) Any foreign limited liability partnership that transacts  
38 intrastate business in this state without registration is subject to a  
39 penalty of twenty dollars (\$20) for each day that unauthorized

1 intrastate business is transacted, up to a maximum of ten thousand  
2 dollars (\$10,000).

3 (j) A partner of a foreign limited liability partnership is not liable  
4 for the debts or obligations of the foreign limited liability  
5 partnership solely by reason of its having transacted business in  
6 this state without registration.

7 (k) A foreign limited liability partnership, transacting business  
8 in this state without registration, appoints the Secretary of State  
9 as its agent for service of process with respect to causes of action  
10 arising out of the transaction of business in this state.

11 (l) "Transact intrastate business" as used in this section means  
12 to repeatedly and successively provide professional limited liability  
13 partnership services in this state, other than in interstate or foreign  
14 commerce.

15 (m) Without excluding other activities that may not be  
16 considered to be transacting intrastate business, a foreign limited  
17 liability partnership shall not be considered to be transacting  
18 intrastate business merely because its subsidiary or affiliate  
19 transacts intrastate business, or merely because of its status as any  
20 one or more of the following:

21 (1) A shareholder of a domestic corporation.

22 (2) A shareholder of a foreign corporation transacting intrastate  
23 business.

24 (3) A limited partner of a foreign limited partnership transacting  
25 intrastate business.

26 (4) A limited partner of a domestic limited partnership.

27 (5) A member or manager of a foreign limited liability company  
28 transacting intrastate business.

29 (6) A member or manager of a domestic limited liability  
30 company.

31 (n) Without excluding other activities that may not be considered  
32 to be transacting intrastate business, a foreign limited liability  
33 partnership shall not be considered to be transacting intrastate  
34 business within the meaning of this subdivision solely by reason  
35 of carrying on in this state any one or more of the following  
36 activities:

37 (1) Maintaining or defending any action or suit or any  
38 administrative or arbitration proceeding, or effecting the settlement  
39 thereof or the settlement of claims or disputes.

1 (2) Holding meetings of its partners or carrying on any other  
2 activities concerning its internal affairs.

3 (3) Maintaining bank accounts.

4 (4) Maintaining offices or agencies for the transfer, exchange,  
5 and registration of the foreign limited liability partnership's  
6 securities or maintaining trustees or depositories with respect to  
7 those securities.

8 (5) Effecting sales through independent contractors.

9 (6) Soliciting or procuring orders, whether by mail or through  
10 employees or agents or otherwise, where those orders require  
11 acceptance without this state before becoming binding contracts.

12 (7) Creating or acquiring evidences of debt or mortgages, liens,  
13 or security interest in real or personal property.

14 (8) Securing or collecting debts or enforcing mortgages and  
15 security interests in property securing the debts.

16 (9) Conducting an isolated transaction that is completed within  
17 180 days and not in the course of a number of repeated transactions  
18 of a like nature.

19 (o) A person shall not be deemed to be transacting intrastate  
20 business in this state merely because of its status as a partner of a  
21 registered limited liability partnership or a foreign limited liability  
22 company whether or not registered to transact intrastate business  
23 in this state.

24 (p) The Attorney General may bring an action to restrain a  
25 foreign limited liability partnership from transacting intrastate  
26 business in this state in violation of this chapter.

27 (q) Nothing in this section is intended to, or shall, augment,  
28 diminish, or otherwise alter existing provisions of law, statutes,  
29 or court rules relating to services by a California public accountant  
30 or California attorney in another jurisdiction, or services by an  
31 out-of-state public accountant or out-of-state attorney in California.

32 (r) An agent designated for service of process may deliver to  
33 the Secretary of State, on a form prescribed by the Secretary of  
34 State for filing, a signed and acknowledged written statement of  
35 resignation as an agent for service of process containing the name  
36 of the foreign limited liability partnership and Secretary of State's  
37 file number of the foreign limited liability partnership, the name  
38 of the resigning agent for service of process, and a statement that  
39 the agent is resigning. On filing of the statement of resignation,  
40 the authority of the agent to act in that capacity shall cease and the

1 Secretary of State shall mail or otherwise provide written notice  
2 of the filing of the statement of resignation to the foreign limited  
3 liability partnership at its principal office.

4 (s) The resignation of an agent may be effective if, on a form  
5 prescribed by the Secretary of State containing the name and  
6 Secretary of State's file number for the foreign limited liability  
7 partnership and the name of the agent for service of process, the  
8 agent disclaims having been properly appointed as the agent.

9 (t) If an individual who has been designated agent for service  
10 of process dies or resigns or no longer resides in the state, or if the  
11 corporate agent for that purpose resigns, dissolves, withdraws from  
12 the state, forfeits its right to transact intrastate business, has its  
13 corporate rights, powers, and privileges suspended, or ceases to  
14 exist, the foreign limited liability partnership shall promptly file  
15 an amended application for registration as a foreign limited liability  
16 partnership designating a new agent.

17 (u) The Secretary of State may destroy or otherwise dispose of  
18 any resignation filed pursuant to this section after a new application  
19 for registration as a foreign limited liability partnership is filed  
20 pursuant to this section replacing the agent for service of process  
21 that has resigned.

22 (v) This section shall become operative on January 1, ~~2026~~.  
23 2034.

**AB 2862 (Gipson, D-Los Angeles County)**  
**Department of Consumer Affairs: African American applicants.**

**Status/History:** 7/01/2024 – Set for hearing; canceled at request of the Author

**Location:** 6/17/2024 –Senate Committee on Business, Professions and Economic Development and Judiciary Committees.

**Introduced:** 2/15/2024

**Amended:** 4/17/2024

**Board Position:** Watch (as of May 9, 2024)

**Board Staff Analysis:** 8/12/2024

**Bill Summary:** This bill would amend the Business and Professions Code by adding a section to the general Business and Professions Code to require a board to prioritize African American applicants seeking licenses, especially applicants who are descended from a person enslaved in the United States and establishes a sunset date of January 1, 2029 unless reenacted.

**Affected Laws:** An act to add a new section to the Business and Professions Code, relating to applicants for a license. Language was revised on April 17, 2024 to instead add the proposed language as a new section 115.7.

**Staff Comment:** According to the author’s office, this bill seeks to establish expedited review of applications submitted by individuals who identify as African American who are descended from a person enslaved in the United States, in similar fashion as those statutes which were previously enacted to assist members of the military or spouses of members of the military.

The Author states:

“AB 2862 would provide an imperative initiative of the prioritization of African Americans when seeking occupational licenses, especially those who are descendants of slaves. There has been historical long-standing deficiencies and internal barriers to African Americans seeking professional work, and by prioritizing their applications, we are bridging the gap of professional inequities of under representation and under compensation.”

**ARGUMENTS IN OPPOSITION UNLESS AMENDED:** The Respiratory Care Board (RCB) of California opposes this bill unless amended. RCB identifies “two areas of concern.” First, RCB points to the significant time and expense that will be required to identify applicants as African American, and especially to determine if they are descended from a person enslaved in the United States. Second, RCB points out that the time needed to identify a person as a descendant of enslaved persons will slow down the application processing, “which appears to conflict with the bill’s intent.” Therefore, RCB asks for an amendment that would “allow for self-identification of African American ethnicity by the applicant, as well as the inclusion of a provision that requires the applicant to provide evidence that he or she is the descendant of a person enslaved in the United States.”

Board staff generally agrees with the stated concerns for RCB's position and believes that our Board already attempts to expedite all applications since the Board's current license processes does not discriminate in any way as there is no identification of ethnicity on the Board's applications. Additionally, it is important to note that unlike applicants for some other licensing boards/bureaus under DCA, applicants for engineering, land surveying, and geology licenses are required to demonstrate a history of qualifying work experience and those applicants are not just entering the workforce.

Staff has stated an "unknown fiscal impact" position to DCA Budgets and Legislative Units since we do not know what the Board would be required to do to comply with this section and do not know how many applicants, if any, would be affected by this section.

**Staff Recommendation:** No action needed at this time.





- 7) Requires the Medical Board of California (MBC), the Osteopathic Medical Board of California (OMBC), the Board of Registered Nursing (BRN), and the Physician Assistant Board (PAB) to expedite the licensure process for applicants who demonstrate that they intend to provide abortions within the scope of practice of their license. (BPC § 870)
- 8) Requires the MBC to give priority review status to the application of an applicant for a physician's and surgeon's certificate who can demonstrate that they intend to practice in a medically underserved area or serve a medically underserved population. (BPC § 2092)
- 9) Requests that the Regents of the University of California assemble a colloquium of scholars to draft a research proposal to analyze the economic benefits of slavery that accrued to owners and the businesses, including insurance companies and their subsidiaries that received those benefits. (Education Code § 92615)
- 10) Requires the Insurance Commissioner to obtain the names of any slaveholders or slaves described in specified insurance records, and to make the information available to the public and the Legislature. (Insurance Code (IC) § 13811)
- 11) Declares that descendants of slaves, whose ancestors were defined as private property, dehumanized, divided from their families, forced to perform labor without appropriate compensation or benefits, and whose ancestors' owners were compensated for damages by insurers, are entitled to full disclosure. (IC § 13813)
- 12) Requires the State Controller's Office and the Department of Human Resources, when collecting demographic data as to the ancestry or ethnic origin of persons hired into state employment, to include collection categories and tabulations for Black or African American groups, including, but not limited to, African Americans who are descendants of persons who were enslaved in the United States. (GC § 8310.6)
- 13) Requires the Board of Registered Nursing (BRN), the Board of Vocational Nursing and Psychiatric Technicians (BVNPT), the Physician Assistant Board (PAB), and the Respiratory Care Board of California (RCB) to collect specified workforce data from their respective licensees and registrants for future workforce planning at least biennially, with data collected at the time of electronic license or registration renewal as applicable. (BPC § 502(a)(1))
- 14) Provides that all other healing arts boards shall request the specified workforce data for future workforce planning at least biennially, with data collected at the time of electronic license or registration renewal as applicable. (BPC § 502(a)(2))
- 15) Specifies the optional information as included within the workforce data collected or requested by healing arts boards, including race. (BPC § 502(b))
- 16) Requires each board to maintain the confidentiality of the information it receives from licensees and registrants and to only release information in an aggregate form that cannot be used to identify an individual. (BPC § 502(c))

- 17) Prohibits boards from requiring a licensee or registrant to provide the workforce data as a condition for license or registration renewal, or from disciplining licensees or registrants for not providing the information. (BPC § 502(f))
- 18) Requires the Dental Board of California (DBC) to collect information, if provided by the licensee at the time of initial licensure or renewal, including the licensee's cultural background and foreign language proficiency. (BPC § 1715.5)
- 19) Requires the Dental Hygienists Board (DHB) to collect information, if provided by an licensee upon initial licensure or renewal, including the licensee's cultural background and foreign language proficiency. (BPC § 1902.2)
- 20) Requires licensed physicians and surgeons to report to the MBC, immediately upon issuance of an initial license and at the time of license renewal, information relating to their cultural background and foreign language proficiency, unless the licensee declines to provide that information. (BPC § 2425.3)
- 21) Requires the OMBC to collect specified information upon initial licensure and renewal, including the licensee's cultural background and foreign language competency, if reported by the licensee. (BPC § 2455.2)
- 22) Authorizes the Bureau of Real Estate Appraisers (BREA) to request a licensee to identify their race and other demographic information; requires BREA to maintain confidentiality of information received; prohibits requiring the information as a condition of licensure or renewal; and authorizes BREA to publish aggregate data to its website. (BPC § 11347)
- 23) Requires the Board of Registered Nursing to incorporate regional forecasts into its biennial analyses of the nursing workforce and to develop a plan to address shortages. (BPC § 2717)
- 24) Authorizes the California Architects Board (CAB) to request a licensee to identify their race, ethnicity, sexual orientation, gender, or gender identity; requires CAB to maintain confidentiality of information received, prohibits requiring the information as a condition of licensure or renewal; and authorizes CAB to publish aggregate data to its website. (BPC § 5552.2)

**This bill** currently, until January 1, 2029, requires boards to prioritize African American applicants seeking licenses, especially applicants who are descended from a person enslaved in the United States.

**As proposed to be amended by the Author**, the bill would, until January 1, 2029, require boards to prioritize applicants for licensing who are descendants of African American chattel enslaved persons or who are identified as descendants through a process by the California American Freedman Affairs Agency.

**FISCAL EFFECT:** This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, this bill creates a non-absorbable impact totaling \$1.04 million with five programs reporting and one-time costs for DCA's Office of Information Services.

**COMMENTS:**

1. **Purpose.** The author is the sponsor of this bill. According to the Author, “Currently, there are barriers to employment, especially for African Americans seeking occupational licenses. Furthermore, there is severe under-representation of African Americans in professional occupations. There are also extreme disparities when comparing white professionals and African American professionals, including salary differences, and leadership or managerial positions.”
2. **Background.**

*DCA licensure and regulation of professions.* The DCA consists of 36 boards, bureaus, and other entities responsible for licensing, certifying, or otherwise regulating professionals in California, including 16 that issue licenses to healing arts professionals. As of March 2023, there were over 3.4 million active licensees who were issued a license by a program within DCA. Licensure is intended to protect consumers by ensuring applicants have the knowledge, skills, and abilities to engage in regulated activity without creating a negative impact on public health, safety, and welfare.

Each of DCA’s 280 license types has its own unique requirements, with the practice act for each profession providing for various prerequisites including demonstration of prelicensure education, experience, training, passing an examination, and other requirements. Most boards require a background check to ensure the applicant does not have a history of convictions that are substantially related to the scope of the profession. Boards additionally require the applicant to pay a fee, which is set at an amount reasonable for the board to recover the cost of processing an application. Additionally, business applicants may be required to obtain insurance and/or a bond, demonstrate good standing with the Secretary of State, and appoint a qualified manager or responsible managing employee to oversee the business’ operations within the scope of the license.

Boards typically set internal targets for application processing timelines and seek adequate staffing in an effort to meet those targets. The average processing time between initial application submission and license issuance varies depending on multiple factors, some that are within the programs’ control; however, most delays occur based on factors outside the licensing programs’ control. These include, but are not limited to, the number of applications received, length of time to obtain an applicant’s criminal history, time for the applicant to take and pass a required examination, and application deficiencies that must be resolved by the applicant, among others. License processing timelines are then regularly evaluated through the Legislature’s sunset review oversight process.

*California Reparations Report.* AB 3121 (Weber, Chapter 319, Statutes of 2020) established a task force to study the issue of reparations for African Americans; propose ways to educate the California public about its findings; make recommendations on the forms that reparations might take; and submit a report of its findings to the Legislature. The bill’s findings and declarations stated that as “a result of the historic and continued discrimination, African Americans continue to suffer debilitating economic, educational, and health hardships,” including, among

other hardships, “an unemployment rate more than twice the current white unemployment rate.”

The Task Force created by AB 3121 submitted a report to the Legislature on June 29, 2023, the *California Reparations Report*, drafted with staff assistance from the California Department of Justice, provides a comprehensive history of numerous systemic injustices and discriminatory practices used to “restrict the freedom and prosperity of African Americans.” The report also includes recommendations for how the state should formally apologize for slavery, provide compensation and restitution, and address the effects of enslavement and other historical atrocities.

Chapter 10 of the Task Force’s report, titled “Stolen Labor and Hindered Opportunity,” addresses how African Americans have historically been excluded from occupational licenses. The report describes how the use of licensure to regulate jobs increased beginning in the 1950s and African American workers were excluded from economic opportunity, in large part due to laws disqualifying licenses for applicants with criminal records, which disproportionately impacted African Americans. This specific issue was addressed in California through enactment of AB 2138 (Chiu, Chapter 995, Statutes of 2018), which reduced barriers to licensure for individuals with prior criminal histories by: 1) limiting the discretion of DCA’s boards to deny a license to cases where the applicant was convicted of a crime substantially related to the qualifications, functions, or functions of a licensee or to an applicant who has been subjected to discipline by a licensing board, 2) excluding nonviolent substantially related offenses from consideration in licensing decisions if the conviction is seven years or older; and 3) in cases where the applicant could be denied, requires programs to take into consideration evidence of rehabilitation submitted by the applicant to demonstrate their fitness for licensure.

The Task Force report states, “while AB 2138 represents progress, other schemes remain in California which continue to have a racially discriminatory impact.” The Task Force then provides several recommendations on how the Legislature could “expand on AB 2138.” This includes a recommendation in favor of “prioritizing African American applicants seeking occupational licenses, especially those who are descendants [of slavery].”

*Expedited Licensure.* On January 31, 2024, the California Legislative Black Caucus announced the introduction of the 2024 Reparations Priority Bill Package, consisting of a series of bills introduced by members of the caucus to implement the recommendations in the Task Force’s report. As part of that package, this bill seeks to implement the Task Force’s recommendation by requiring boards to prioritize African American applicants seeking licenses, especially applicants who are descended from a person enslaved in the United States. Although there are no existing prioritization laws, there are laws that require expedited licensure.

Existing expedited licensure laws include those to benefit: 1) former members of the military; 2) military spouses, domestic partners, and those in any other legal union with a current member of the military stationed in California; 3) refugees and those granted asylum; and 4) specified healing arts licensees who intend to perform abortions in California.

Each law requires the applicant to show evidence that they qualify for the expedited license. For example, BPC § 115.4 requires DCA programs to expedite applications from a former member of the Armed Services. To qualify, an applicant must provide evidence to the board that the applicant has served as an active duty member of the Armed Forces of the United States and was honorably discharged with their application.

Separately, BPC § 115.5 requires DCA programs to expedite an application received from a person who is married to, or in a domestic partnership or other legal union with, an active duty member of the military. To qualify for an expedited license, the applicant must submit evidence that the applicant is married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty station in California under official active duty military orders *and* that they hold a current license in another state, district, or territory of the United States.

Each of the remaining types of license expedition – refugees and those granted asylum under BPC § 135.4; active-duty members of a regular component of the Armed Forces who are enrolled in the U.S. Department of Defense SkillBridge program under BPC § 115.4 (b); and specified healing arts licensees who intend to provide abortions under BPC § 870 – require the applicant to provide similar forms of evidence that they qualify for expedited licensure.

3. **Related Legislation.** ACA 8 (Wilson of 2024) would amend to the state Constitution to prohibit slavery of any kind, including as punishment for a crime. (Status: *This bill is pending in the Senate Committee on Appropriations.*)

ACR 135 (Weber of 2024) would formally acknowledge the harms and atrocities committed by representatives of the State of California who promoted, facilitated, enforced, and permitted the institution of chattel slavery and the legacy of ongoing badges and incidents of slavery that form the systemic structures of discrimination. (Status: *This bill is pending in the Senate Committee on Judiciary.*)

AB 3089 (Jones-Sawyer of 2024) would provide that the State of California apologizes for perpetuating the harms African Americans faced by having imbued racial prejudice through segregation, public and private discrimination, and unequal disbursement of state and federal funding and declares that such actions shall not be repeated. (Status: *This bill is pending in the Senate Committee on Judiciary.*)

AB 2442 (Zbur of 2024) would require specified healing arts boards under the DCA to expedite the licensure process for applicants who demonstrate that they intend to provide gender-affirming health care or gender-affirming mental health care services. (Status: *This bill is pending third reading in the Senate.*)

SB 1050 (Bradford of 2024) would establish procedures by which a person who lost property because of racially motivated eminent domain, as defined, may apply to the proposed state agency for the return of the property, if still in possession of entity that did the taking, other public property of equal value, or financial compensation. (Status: *This bill is pending in the Assembly Committee on Appropriations.*)

SB 1067 (Smallwood-Cuevas of 2024) would require healing arts boards to expedite the licensure process for applicants who intend to practice in a medically underserved area. (Status: *This bill is pending in the Assembly Committee on Appropriations.*)

AB 657 (Cooper, Chapter 560, Statutes of 2022) required specified boards under the DCA to expedite applications from applicants who demonstrate that they intend to provide abortions.

AB 3121 (Weber, Chapter 319, Statutes of 2020) established an eight-member task force to study the issue of reparations for African Americans; propose ways to educate the California public about its findings; make recommendations on the forms that reparations might take; and submit a report of its findings to the Legislature, as specified.

AB 2113 (Low, Chapter 186, Statutes of 2020) required entities under the DCA to expedite applications from refugees, asylees, and special immigrant visa holders.

AB 2138 (Chiu, Chapter 995, Statutes of 2018) reduced barriers to licensure for individuals with prior criminal convictions.

SB 1226 (Correa, Chapter 657, Statutes of 2014) requires entities under the DCA to expedite applications from honorable discharged veterans.

AB 1904 (Block, Chapter 399, Statutes of 2012) requires entities under the DCA to expedite applications from military spouses and partners.

4. **Arguments in Support.** IKAR writes in support and states, “AB 2862 is a part of the Legislative Black Caucus’ 2024 reparations legislative package that seeks to remove historic and current discriminatory laws and barriers impacting the descendants of enslaved people. For these reasons we are pleased to support AB 2862 (Gipson) and respectfully urge your support.”

The Santa Monica Democratic Club states, Ever since the era of slavery, African-Americans in our country have suffered economic, educational, and health hardships that have prevented them as a people from achieving equality in our society. After studying these long-term and ongoing harms for two years, the Task Force to Study and Develop Reparations Proposals issued its recommendations for appropriate remedies. Based on the task force’s historic report, the California Legislative Black Caucus has introduced 14 measures in its 2024 Reparations Priority Bill Package. This is a first step in a multi-year effort to dismantle the legacy of slavery and systemic racism in our country.”

5. **Arguments in Opposition.** The Pacific Legal Foundation writes in opposition, “the advantage given to those racially eligible for licensing priority impacts those who are not eligible but have nonetheless experienced licensing discrimination. A license-seeker that may have experienced discrimination but is not African American would be treated worse than an eligible applicant that may have not suffered discrimination. Ultimately, the way to stop discrimination in licensing based on race is to stop discrimination in licensing based on race.”

The Dental Board of California is opposed unless amended and states, “With the recent growth in the number of groups that qualify for expedited processing, the benefits of this expedited processing may diminish because of the increase in the number of applicants that are advanced to processing. It would be useful to have guidance in the bill as to how to manage this growth in expedited processing.”

## 6. Policy Considerations and Questions.

Aside from concerns raised in the Assembly, there are several factors that may present implementation challenges if this bill were to move forward as written and as proposed to be amended.

*Prioritizing applicants is not the same as expediting licensure.* This bill is not clear about its intended impact to the application process and steps required for implementation. Prioritizing an “applicant” can take many forms, which may include expedited licensure. It can also refer to conducting outreach to African Americans about the licensure process and requirements, dedicating a staff member to assist African American applicants through the process, or other methods of prioritizing the applicant that do not include expedited licensure. Without clarification, this bill could be implemented in a manner that is not standard across DCA programs nor as intended by the author. *The bill should be amended to clarify what is intended by “prioritize applicants” to communicate the actions to be taken by DCA’s programs. Prioritizing an applicant may take many forms and without establishing a process in statute, each of DCA’s 36 programs may need to develop regulations to define “prioritization,” a process which could take years to accomplish and could result in 36 different outcomes. The bill should be amended to delay implementation to allow DCA’s programs to promulgate regulations.*

*Eligibility to qualify for prioritization and documentation to establish eligibility.* Although the Author has stated this bill is intended to allow for more African Americans to surpass internal barriers, the existing and proposed to be amended forms of this bill do not require expedited licensure. Additionally, the background gives examples of existing expedited license categories for DCA programs as related legislation, implying the intent of this bill is to expedite licensure for African American applicants. The bill would require “prioritization,” not expedited licensure.

Each of the existing requirements to expedite an application includes specified criteria an applicant in order to qualify for an expedited process. Each type of expedited licensure also requires the applicant to submit evidence of eligibility prior to the application being expedited (as described above in the background). Without criteria, any and all applicants could request expedited licensure and without requiring evidence of eligibility, any and all applicants may request to have their application expedited. These considerations also apply to a prioritization process. Processing the requests for prioritization may alone pose a workforce issue for programs, but establishing eligibility documentation is necessary to ensure only the applicants who are intended to receive prioritization benefit from the process.

Other pending legislation, AB 2442 (Zbur of 2024) and SB 1067 (Smallwood-Cuevas of 2024), would require specified healing arts boards within DCA to expedite the licensure process for applicants who demonstrate their intent to

provide gender-affirming health care or gender-affirming mental health care services or those who intend to practice in a medically underserved area, respectively. For each bill, the methods of demonstrating the applicant's eligibility include demonstrating intent to work in one of the relevant areas. The applicant may do this by submitting a letter from an employer or contracting entity indicating that the applicant has accepted employment or entered into a contract to provide the relevant services, as specified by each bill. *As proposed to be amended, this bill would assign a new state Agency outside the DCA to establish a process to identify and verify eligibility.*

*Many of DCA's programs lack of authority to request an applicant's race, which may prevent this bill from being implemented.* GC § 8310 prohibits any state department, board, commission, officer, agent, or employee of this state from including any question relative to an applicant's race, sex, marital status, or religion in any application blank or form required to be filled in and submitted by an applicant. About half of DCA's programs are authorized to request applicants to voluntarily indicate their race. For example, healing arts applicants may complete an optional demographic survey that includes the applicant's race (BPC § 502) and BREA and CAB are authorized to ask demographic information that includes race, but providing that information is also voluntary (BPC §§ 11347 and 5552.2, respectively). Despite these potential data sources for some programs, nearly half of DCA's boards do not have authority to collect information that would establish eligibility for the applicant to be prioritized. The current language of this bill does not provide that authority. *In order for the intent to be realized, the bill would have to be amended to allow even the proposed new Agency to collect information on applicants' race and whether they are descended from a person enslaved in this country, as GC § 8310 still prohibits any state department, board, commission, officer, agent, or employee of this state from including any question relative to an applicant's race, sex, marital status, or religion in any application blank or form required to be filled in and submitted by an applicant.*

*Should this bill apply to all boards and all license types issued by those boards?* Despite statutory attempts to ensure swifter licensing timeframes for specified applicants, factors beyond a program's control (deficiencies in applications, the length of time fingerprint clearance is provided, delays in receiving transcripts and education program completion verification, time for the applicant to take and pass an examination, and more) can lead to lengthy holdups in the process, regardless of the program's internal efforts to expedite processing.

Programs that bill proponents cite as having lengthy application processing timeframes are actually processing licenses in shorter timeframes than their internal goals and historic averages. For example, the Dental Board of California reported during its 2024 sunset review oversight that *complete applications* for licensure licenses are being processed within about 24 days. The Physician Assistant Board has been on target to meet its 30-day licensing timeframe for *completed applications* but is taking twice that long for *applications that are missing information*. Between October 2023 and December 2023 they processed the 126 complete PA applications they received within 30 days, but they also received 327 incomplete applications. *In order to realize a positive impact from expedited licensure, if in fact prioritization is intended to mean expedited application*



*processing, the Author may wish to include this mandate only for programs that have considerable backlogs and programs that have licensing requirements that include minimal factors outside the board's control that contribute to delays.*

*Would this bill lead to an increase of African Americans who obtain a professional license and employment? It is questionable whether a mandate for every program to prioritize applicants will move the state forward in resolving under-representation of African Americans in professional occupations or disparities in pay and representation in leadership or managerial positions. When a person is at the point of applying for licensure, they are already in the pipeline and have likely already obtained the education, experience, training, etc. necessary to become licensed.*

*There is a lack of credible data to forecast this bill's true impact. Because DCA programs are prohibited from requiring applicants to respond with their race, and many are prohibited from even asking, there is not reliable data to determine the true potential impact to the programs. As noted by the Assembly Committee on Appropriations, a few programs were unable to quantify the workload to comply with the bill. *Collecting data and conducting a study on the significant barriers to employment that occupational licensure poses, and barriers to licensure that exist within DCA boards, as well as in the operations of many other occupational licensing programs like those at the California Department of Public Health and other agencies, could yield helpful information and inform meaningful policy discussions and defined reform proposals moving forward.**

#### **SUPPORT AND OPPOSITION:**

##### Support:

IKAR  
Santa Monica Democratic Club

##### Opposition:

Pacific Legal Foundation  
Dental Board of California

-- END --

AMENDED IN ASSEMBLY APRIL 17, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2862**

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**Introduced by Assembly Member Gipson**  
*(Coauthors: Assembly Members Juan Carrillo and Lowenthal)*

February 15, 2024

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An act to add ~~Division 1.1 (commencing with Section 473) to and repeal Section 115.7 of the Business and Professions Code, relating to professions and vocations.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2862, as amended, Gipson. ~~Licenses—Department of Consumer Affairs:~~ African American applicants.

Existing law ~~prescribes requirements for licensure and regulation of various businesses and professions, including healing arts and real estate businesses and professions, by various boards, bureaus, commissions, committees, and departments.~~ *establishes the Department of Consumer Affairs, which is composed of specified boards that license and regulate various professions.*

This bill would require *those* boards to prioritize African American applicants seeking licenses under these provisions, especially applicants who are descended from a person enslaved in the United States. The bill would ~~define various terms for these purposes.~~ *repeal those provisions on January 1, 2029.*

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

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

1 *SECTION 1. Section 115.7 is added to the Business and*  
2 *Professions Code, to read:*

3 *115.7. (a) Notwithstanding any other law, a board shall*  
4 *prioritize African American applicants seeking licenses, especially*  
5 *applicants who are descended from a person enslaved in the United*  
6 *States.*

7 *(b) This section shall remain in effect only until January 1, 2029,*  
8 *and as of that date is repealed.*

9 ~~SECTION 1. Division 1.1 (commencing with Section 473) is~~  
10 ~~added to the Business and Professions Code, to read:~~

11  
12 ~~DIVISION 1.1. PRIORITIZATION OF LICENSES~~  
13

14 ~~473. (a) For purposes of this division:~~

15 ~~(1) "Board" includes "bureau," "commission," "committee,"~~  
16 ~~"department," "division," "examining committee," "program,"~~  
17 ~~and "agency."~~

18 ~~(2) "License" includes certificate, registration, or other means~~  
19 ~~to engage in a business or profession regulated by this code.~~

20 ~~(b) Notwithstanding any other law, a board shall prioritize~~  
21 ~~African American applicants seeking licenses, especially applicants~~  
22 ~~who are descended from a person enslaved in the United States.~~

**AB 3176 (Hoover, R-Sacramento)**

**Professional land surveyors: surveying practices: monuments and corner accessories.**

**Status/History:** 5/09/2024 – Passed Assembly and referred to Senate.

**Location:** 5/22/2024 – Referred to Senate Committee on Business, Professions and Economic Development Committee.

**Introduced:** 2/16/2024

**Amended:** 4/17/2024 Amended and Passed by Asm. B&P Com.

**Board Position:** Support (as of May 9, 2024)

**Board Staff Analysis:** 8/12/2024

**Bill Summary:** Existing law (Business and Professions Code section 8773.3) requires a land surveyor or legally-authorized civil engineer, when filing a corner record with the county surveyor or engineer of the county where the corner is situated, to ensure a corner accessory or monument is reconstructed or rehabilitated so that it remains permanently fixed, as specified. This bill would amend this section to require a land surveyor or legally-authorized civil engineer, when using a monument or corner accessory with a physical condition that is less than permanent and durable as control in any survey, to reconstruct or rehabilitate the monument or corner accessory to a permanent condition, as specified.

**Affected Laws:** An act to amend section 8773.3 of the Business and Professions Code, relating to land surveying.

**Staff Comment:** Assembly Bill (AB) 3176 is sponsored by the California Land Surveyors Association (CLSA). According to the author's office, CLSA has indicated that Section 8773.3 relates to the obligation of licensed land surveyors and civil engineers to "reconstruct and rehabilitate" monuments found to be in poor condition when surveyors are creating "corner records" intended for filing with counties. The purpose of this law is for surveyors to preserve monuments located while creating maps, so they can be found by later surveyors while performing services. This preservation is essential in creating exact boundaries for the location of properties. CLSA believes present law limits the rehabilitation requirement to circumstances where a corner record is created for filing with counties and does not extend to the creation of other maps, including records of survey and subdivision maps. The law is too narrow as it excludes important mapping performed by surveyors which are not "corner records." AB 3176 removes the limitation to "corner records intended for filing" on the types of monuments which must be preserved; thus, covering every situation where a monument is necessary. This bill will broaden the requirement for licensed land surveyors and registered civil engineers to rehabilitate monuments found to be in ill-repair. Preserving monuments will enhance the ability of future professionals to locate and incorporate the monuments in their mapping services.

Board staff generally agrees with the stated reasons for these proposed amendments. However, there are concerns with the language as proposed. The term "permanent" can lead to issues between surveyors over whether one believes the monument is permanent and another who believes it is not, and sometimes these issues come to the Board in the form of complaints. Board staff believes a better term to use would be "durable." This would provide for permanently

preserving the location of the monument by ensuring that a durable monument exists or is caused to exist in that permanent location as is reasonably possible. As such, Board staff recommends the Board take a position of “Oppose Unless Amended” on AB 3176 and direct staff to work with the sponsor and author on the language.

At the Board’s March 7, 2024 meeting, the Board took the position of Oppose Unless Amended with direction to staff to discuss with the author and sponsor of the bill the concern discussed by the Board. Board staff sent a letter to the author’s office and met with representatives of the sponsor which resulted in the sponsor recommending revisions to language which was discussed in the Business & Professions Committee analysis. Board staff believes the committee revisions reflect the discussion between Board staff and sponsor representatives which would address the Board’s concerns.

**6/17/2024 Update:** Staff sent the Author and Sunset Committees a letter on 6/03/2024 indicating the Board’s support of the 4/17/2024 amendments.

**8/12/2024 Update:** Proposed language was included in AB 3253 by Sunset Committees in agreement with Author.

**Staff Recommendation:** No action needed at this time.

AMENDED IN ASSEMBLY APRIL 17, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 3176**

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**Introduced by Assembly Member Hoover**

February 16, 2024

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An act to amend ~~section~~ *Section* 8773.3 of the Business and Professions Code, relating to land surveying.

LEGISLATIVE COUNSEL'S DIGEST

AB 3176, as amended, Hoover. Professional land surveyors: surveying practices: monuments and corner accessories.

The Professional Land Surveyors' Act provides for the licensure and regulation of land surveyors by the Board for Professional Engineers, Land Surveyors, and Geologists, which is within the Department of Consumer Affairs, and requires any person practicing, or offering to practice, land surveying in the state to submit evidence that they are qualified to practice and to be licensed under the act. Among other things, the act requires a land surveyor, when filing a corner record with the county surveyor or engineer of the county where the corner is situated, to ensure a corner accessory or monument is reconstructed or rehabilitated so that it remains permanently fixed, as specified.

This bill would instead require a land surveyor, when using a monument ~~or corner accessory~~ with a physical condition that is less than permanent and durable as control in any survey, to reconstruct or rehabilitate the monument ~~or corner accessory~~ to a permanent condition, as specified.

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

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

1 SECTION 1. Section 8773.3 of the Business and Professions  
2 Code is amended to read:  
3 8773.3. In every case where a monument ~~or corner accessory~~  
4 is found with a physical condition that is less than permanent and  
5 durable, the licensed land surveyor or registered civil engineer  
6 using that monument ~~or corner accessory~~ as control in any survey  
7 shall reconstruct or rehabilitate the monument ~~or corner~~, so that  
8 the same shall be left by them in such physical condition that it  
9 remains as permanent a monument ~~or corner accessory~~ as is  
10 reasonably possible and so that the same may be reasonably  
11 expected to be located with facility at all times in the future.

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**AB 3253 (Assembly Committee on Business and Professions)  
Board for Professional Engineers, Land Surveyors, and Geologists: appointments:  
removal.**

**Status/History:** 8/05/2024 – In committee: Referred to suspense file

**Location:** 7/01/2024 – Passed Senate Committee on Business, Professions and Economic Development and referred to Senate Appropriations Committee

**Introduced:** 2/16/2024

**Amended:** 6/25/2024

**Board Position:** Support (as of June 27, 2024)

**Board Staff Analysis:** 8/12/2024

**Bill Summary:** Existing law establishes the Board for Professional Engineers, Land Surveyors, and Geologists within the Department of Consumer Affairs for the licensure and regulation of those professions. Under existing law, the Board consists of 15 members, including eight public members and seven professional members appointed by the Governor, one public member appointed by the Senate Committee on Rules, and one public member appointed by the Speaker of the Assembly, as prescribed. Existing law (specifically, Business and Professions Code section 6713) authorizes the Governor to remove any member of the Board for misconduct, incompetency, or neglect of duty. This bill would amend that section to instead refer to Business and Professions Code section 106, which provides that the appointing authority has power to remove from office at any time any member of any board appointed by the appointing authority for continued neglect of duties required by law, or for incompetence, or unprofessional or dishonorable conduct.

**Affected Laws:** An act to amend Section 6713 of the Business and Professions Code, relating to professions and vocations.

**Staff Comment:** Assembly Bill (AB) 3253 makes a minor change to the Professional Engineers Act regarding the removal of Board members for certain specific reasons. The proposed amendments would delete the specific reasons and instead refer to Section 106, which is a general provision of the Business and Professions Code that address removal of Board members for certain specific reasons.

Updated Staff Comment: on April 18, 2024, the Asm. B&P Com. held a hearing which Board staff testified at. B&P Committee staff analysis accepted all Board suggested revisions as provided in the Board's Response to the Background Paper. Revised language passed B&P Com. and sent to Com. on Appropriations.

**6/17/2024 Staff Update:** on June 13, 2024, the Senate B,P&ED Com. proposed amendments to the Board's three Acts based on discussions with the Board related to eligibility of appointed board members, and stakeholder groups who had concerns with unlicensed activity (Sunset Background Paper Issue #8)



**6/26/2024 Staff Update:** On June 25, 2024, the Senate BP&ED Com. made amendments to the Board's three Acts related to documentary evidence to support compliance for licensees to offer services under a business structure and additionally included amendments formerly proposed under AB 3176 (Hoover) related to land surveying monuments.

**Staff Recommendation:** No action necessary at this time.



## BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND GEOLOGISTS

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June 27, 2024

The Honorable Angelique Ashby, Chair  
Senate Standing Committee on Business,  
Professions and Economic Development  
1021 O Street, Room 3320  
Sacramento, CA 95814

The Honorable Marc Berman, Chair  
Assembly Committee on  
Business and Professions  
1020 N Street, Room 379  
Sacramento, CA 95814

RE: Assembly Bill 3253 – **SUPPORT**

Dear Chairperson Ashby and Chairperson Berman:

The Board for Professional Engineers, Land Surveyors, and Geologists (Board) voted to **SUPPORT** Assembly Bill 3253, as amended June 25, 2024, at its June 27, 2024 meeting.

The mission of the Board is to protect the public health, safety, welfare, and property by promoting standards of competence and integrity through the licensing and regulation of the Board's professions.

The new amendments during the Board's Sunset Review will benefit the public by ensuring that survey monuments physically existing will continue to be rehabilitated and preserved for use by property owners and licensed land surveyors. Additionally, the amendments related to the requirement for licensees to provide documentary evidence to support compliant business structure when offering and providing services to the public along with disclosure of professional liability insurance extends the protection of the public's interests.

Because of these revisions, the Board voted to take a position of Support on this version of the bill.

Please feel free to contact me directly at 916-999-3579 or [Ric.Moore@dca.ca.gov](mailto:Ric.Moore@dca.ca.gov)

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Moore".

RICHARD B. MOORE, PLS  
Executive Officer

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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2023 - 2024 Regular Session

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**AB 3253 (Berman) - Board for Professional Engineers, Land Surveyors, and Geologists: licensees: professional land surveyors: surveying practices: monuments and corner accessories**

**Version:** June 25, 2024

**Urgency:** No

**Hearing Date:** August 5, 2024

**Policy Vote:** B., P. & E.D. 13 - 0

**Mandate:** Yes

**Consultant:** Janelle Miyashiro

**Bill Summary:** AB 3253 is the sunset bill for the Board of Professional Engineers, Land Surveyors, and Geologists and makes changes recommended during the joint sunset review of the Board.

**Fiscal Impact:** The 2024-25 Budget provides approximately \$13.69 million (Professional Engineer's, Land Surveyor's, and Geologist's Fund) and 47.2 positions to support the continued operation of the Board's licensing and enforcement activities.

The Board notes the costs associated with the provisions of this bill are anticipated to be minor and absorbable.

**Background:** The Board is charged with safeguarding life, health, property, and public welfare by providing for the licensure and regulation of engineers, land surveyors, and geologists operating in the state of California. According to the Board in their 2023-24 Sunset Review Report:

The highways, bridges, dams, waterways, buildings, and electrical and mechanical systems in buildings are all products of engineering. Consequences of poorly designed bridges or buildings include deaths and injuries as well as financial hardship to the property owner ultimately responsible for damages and reconstruction. Land surveyors help to define property boundaries. A miscalculation of property boundaries in a residential or commercial neighborhood could cause a property owner financial loss if the property is sold or improvements were constructed based on reliance upon an incorrect boundary. A structure could be located on another individual's property, with concomitant major financial losses and inability to convey title. Geologists and geophysicists analyze the rock, soil, and groundwater resources in California and help to determine if active landslides, earthquake faults, or underground water supplies impact orderly and safe development or if they impact the health, safety or welfare of the public.

### **Proposed Law:**

- Extends the authority for the Board to license and regulate professions established under the Professional Engineers Act, the Professional Land Surveyors' Act, and the Geologist and Geophysicist Act, respectively, to January 1, 2029.
- Extends Board authority to appoint an executive officer until January 1, 2029.

- Eliminates conflicting statute related to appointment terms for Board members.
- Removes a requirement that Board members are 30 years of age or older.
- Authorizes each appointing authority to remove a board member from office at any time for continued neglect of duties required by law, incompetence, or unprofessional or dishonorable conduct, so long as they are the authority that initially appointed that member.
- Allows out-of-state civil, electrical, and mechanical engineers (engineers) and land surveyors with a branch office in California to operate as a sole proprietorship, partnership, limited liability partnership, form, or corporation so long as:
  - An engineer or land surveyor (as applicable) currently licensed in this state is an owner, partner, or officer in charge of the engineering practice;
  - The engineering or land surveyor services are performed by, or under the responsible charge of, a professional engineer in the appropriate branch; and
  - Documentation is submitted to verify compliance with the above.
- Requires a written contract between a professional engineer or land surveyor and a client to include disclosure of any current professional liability insurance policy covering the professional engineer or land surveyor in responsible charge of the services.
- Authorizes the Board to waive any part of the second division examination that is required prior to licensure for certain eminently qualified persons.
- Requires the Board, as part of the second division examination, to administer questions to test an applicant's knowledge of seismic principle and engineering surveying principles as separate parts.
- Authorizes the Board to issue an examination fee refund to specified applicants.
- Expands prohibitions related to unlawfully impersonating a licensed engineer, or unlawfully using an engineer's name or certificate number, to also apply to such cases involving the use of "engineer-in-training".
- Removes provisions that establish maximum fines and imprisonment for a misdemeanor related to false use of a geologist or geophysicist license.
- Expands prohibitions related to unlawfully impersonating a licensed geologist or geophysicist, or unlawfully using a geologist's or geophysicist's name or certificate number, to also apply to such cases involving the use of "geologist-in-training" or "geophysicist-in-training".
- Expands prohibitions related to unlawfully impersonating a licensed land surveyor, or unlawfully using a land surveyor's name or certificate number, to also apply to such cases involving the use of "land surveyor-in-training".

- Requires land surveyors using a monument as control in any survey finds any monument with a physical condition that is less than permanent and durable, to reconstruct or rehabilitate the monument to a so that the monument shall be left in such physical condition that it remains as permanent a monument as is reasonably possible for future use.
- Expands prohibitions related to unlawfully impersonating a licensed land surveyor or unlawfully using a land surveyor's name or certificate number, to also apply to such cases involving the use of "land surveyor-in-training".
- Makes other technical and clarifying changes.

**Related Legislation:** SB 1452 (Ashby, 2024) is the California Architects Board and Landscape Architects Technical Committee sunset bill. SB 1452 is pending in the Assembly Appropriations Committee.

SB 1453 (Ashby, 2024) is the Dental Board of California sunset bill. SB 1453 is pending the Assembly Appropriations Committee.

SB 1454 (Ashby, 2024) is the Bureau of Security and Investigative Services sunset bill. SB 1454 is pending in the Assembly Appropriations Committee.

SB 1455 (Ashby, 2024) is the Contractors State License Board sunset bill. SB 1455 is pending in the Assembly Appropriations Committee.

SB 1456 (Ashby, 2024) is the California State Athletic Commission sunset bill. SB 1456 is pending in the Assembly Appropriations Committee.

AB 3251 (Berman, 2024) is the Board of Accountancy sunset bill. AB 3251 is pending in this committee.

AB 3252 (Berman, 2024) is the Court Reporters Board sunset bill. AB 3252 is pending in this committee.

AB 3254 (Berman, 2024) is the Cemetery and Funeral Bureau sunset bill. AB 3254 is pending in this committee.

AB 3255 (Berman, 2024) is the Board of Vocational Nursing and Psychiatric Technicians sunset bill. AB 3255 is pending in the Assembly Appropriations Committee.

**-- END --**

AMENDED IN SENATE JUNE 25, 2024

AMENDED IN SENATE JUNE 13, 2024

AMENDED IN ASSEMBLY APRIL 18, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

**ASSEMBLY BILL**

**No. 3253**

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**Introduced by ~~Committee on Business and Professions~~ Assembly**

***Member Berman***

*(Principal coauthor: Senator Ashby)*

February 16, 2024

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An act to amend Sections 130, 6710, 6711, 6713, 6714, 6738, 6749, 6755, 6755.1, 6763.5, 6787, 7839.2, 7872, 8710, 8729, 8748.5, 8759, 8773.3, and 8792 ~~of of~~, and to add and repeal Section 8771.6 of, the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

AB 3253, as amended, ~~Committee on Business and Professions~~ *Berman*. Board for Professional Engineers, Land Surveyors, and Geologists: ~~licensees~~; *licensees: professional land surveyors: surveying practices: monuments and corner accessories*.

(1) Existing law establishes the Board for Professional Engineers, Land Surveyors, and Geologists (board), which is within the Department of Consumer Affairs, to license and regulate engineers under the Professional Engineers Act, to license and regulate land surveyors under the Professional Land Surveyors' Act, and to license and regulate geologists and geophysicists under the Geologist and Geophysicist Act. Existing law requires the board to appoint an executive officer. Existing law repeals the provisions establishing the board, requiring the board

to appoint an executive officer, and vesting the board with the power to administer these provisions on January 1, 2025.

This bill would extend these repeal dates to January 1, 2029.

(2) Under existing law, the board consists of 15 members. Existing law requires the term of office of any member of specified agencies, including the board, to be for a term of 4 years expiring on June 1. Existing law also requires each member to be at least 30 years of age.

This bill would remove the term and age requirements for members of the board.

(3) Existing law authorizes the Governor to remove any member of the board for misconduct, incompetency, or neglect of duty.

This bill would delete that provision, and would instead authorize each appointing authority to remove from office at any time any member of the board appointed by that appointing authority for continued neglect of duties required by law, or for incompetence, or unprofessional or dishonorable conduct.

(4) Existing law regulates the examination for applicants for licensure as a professional engineer, including by requiring the exam duration and composition to be designed to conform to a specified general principle, consisting of two divisions. Existing law authorizes the board, by rule, to provide for a waiver of the second division of the examination for certain eminently qualified persons. Existing law requires the board to administer questions to test the applicant's knowledge of seismic principles and engineering surveying principles as a separate part of the second division of the examination for registration as a civil engineer.

This bill would authorize the board, by rule, to provide for a waiver of any part of the second division of the examination for certain eminently qualified persons. The bill would instead require the board to administer questions to test the applicant's knowledge of seismic principles and engineering surveying principles as separate parts of the second division of the examination for registration as a civil engineer.

(5) Existing law authorizes the board to refund to applicants for licensure as a professional engineer, for certification as an engineer-in-training, for authorization to use the title "structural engineer" or "soil engineer," for license as a land surveyor, or for certification as a land surveyor-in-training who the board finds lack the qualifications for such license, certification, or authorization, one-half of the amount of their application fee.

This bill would, instead, authorize the board to refund to the above-described applicants their examination fee.

(6) The Professional Engineers Act makes it a misdemeanor for a person to present or attempt to file as the person's own the certificate of licensure of a licensed professional engineer unless they are the person named on the certificate of licensure, to give false evidence of any kind to the board, or to any board member, in obtaining a certificate of licensure, to impersonate or use the seal, signature, or license number of a licensed professional engineer or use a false license number, or to use an expired, suspended, surrendered, or revoked license.

This bill would expand these misdemeanors to include persons who present or attempt to file as the person's own certificate of an engineer-in-training, give false evidence of any kind to the board, or to any board member, in obtaining a certificate as an engineer-in-training, impersonate or use the certificate number of an engineer-in-training or uses a false certificate, or use an expired, suspended, surrendered, or revoked certificate. By expanding the scope of a crime under the act, this bill would impose a state-mandated local program.

(7) The Geologist and Geophysicist Act makes certain acts a misdemeanor, punishable by a fine of not more than one thousand dollars (\$1,000) or by imprisonment not to exceed three months, or by both fine and imprisonment, including to present or attempt to file as their own the certificate of registration of another person, to give false evidence of any kind to the board, or to any board member, in obtaining a certificate of registration, to impersonate or use the seal, signature, or license number of any professional geologist, certified specialty geologist, professional geophysicist, or certified specialty geophysicist or use a false license number, or use an expired, suspended, surrendered, or revoked license.

This bill would remove the above-described provisions relating to fines and imprisonment and, instead, make it a misdemeanor to present or attempt to file as their own the certificate of a geologist-in-training or the license of a professional geologist, certified specialty geologist, a professional geophysicist, or a certified specialty geophysicist unless they are the person named on the certificate or the license. The bill would also make it a misdemeanor to give false evidence of any kind to the board, or to any board member, in obtaining a certificate or a license, to impersonate or use the certificate number of a geologist-in-training or use a false certificate, or use an expired, suspended, surrendered or revoked certificate. By expanding the scope



of a crime under the act, the bill would impose a state-mandated local program.

(8) The Professional Land Surveyors' Act makes it a misdemeanor to presents as their own the license of a professional land surveyor unless they are the person named on the license, give false evidence of any kind to the board, or to any board member, in obtaining a license, impersonate or use the seal, signature, or license number of a professional land surveyor or use a false license number, or use an expired, suspended, surrendered, or revoked license.

This bill would expand these misdemeanors to include persons who presents as their own the certificate of a land surveyor-in-training unless they are the person named on the certificate, give false evidence of any kind to the board, or to any board member, in obtaining a certificate, impersonate or use the certificate number of a land surveyor-in-training or uses a false certificate, or use an expired, suspended, surrendered, or revoked certificate. By expanding the scope of a crime under the act, the bill would impose a state-mandated local program.

(9) Because the bill would expand the scope of crimes under the Professional Engineers Act, Professional Land Surveyors' Act, and the Geologist and Geophysicist Act, the bill would impose a state-mandated local program.

(10) Existing law requires professional engineers, professional geologists or professional geophysicists, and licensed land surveyors or licensed civil engineers authorized to practice land surveying to use a written contract when contracting to provide their respective services to a client. Existing law requires those contracts to include specified information, including, among other things, a description of the services to be provided to the client.

This bill would additionally require those contracts to include disclosure of any existence of a current professional liability insurance policy covering the professional engineer, professional geologist or professional geophysicist, or licensed land surveyor or licensed civil engineer in responsible charge of the services.

*(11) Existing law authorizes one or more civil, electrical, or mechanical engineers to practice or offer to practice, within the scope of their license, civil, electrical, or mechanical engineering as a business, as defined, if certain requirements are met, including that the engineer currently licensed is an owner, partner, or officer in charge of the engineering practice of the business, and that all civil, electrical, or mechanical engineering services are performed by, or under the*

*responsible charge of, a professional engineer licensed in the appropriate branch of professional engineering. Existing law also requires all businesses engaged in rendering civil, electrical, or mechanical engineering services to file a current organization record form with the board.*

*This bill would require those businesses to file, in addition to the above-described form, documentary evidence that demonstrates compliance with the above-described requirements.*

*(12) Existing law authorizes one or more licensed land surveyors or civil engineers licensed before 1982 to practice or offer to practice, within the scope of their licensure, land surveying as a business, as defined, if certain conditions are satisfied, including that the land surveyor or civil engineer currently licensed is an owner, partner, or officer in charge of the land surveying practice of the business, and that all land surveying services are performed by or under the responsible charge of a land surveyor or civil engineer. Existing law also requires all businesses engaged in rendering professional land surveying services to file a current organization record form with the board.*

*This bill would require those businesses to file, in addition to the above-described form, documentary evidence that demonstrates compliance with the above-described requirements.*

*(13) Existing law requires any person practicing, or offering to practice, land surveying in the state to submit evidence that they are qualified to practice and to be licensed under these provisions. Existing law requires a land surveyor, when filing a corner record with the county surveyor or engineer of the county where the corner is situated, to ensure a corner accessory or monument is reconstructed or rehabilitated so that it remains permanently fixed, as specified.*

*This bill would make a nonsubstantive change to those provisions, and would, until January 1, 2029, require a land surveyor or registered civil engineer using any monument as a control, to similarly reconstruct or rehabilitate that monument.*

*(14) Existing law makes any violation of the Professional Land Surveyors' Act a misdemeanor.*

*By expanding the scope of practices subject to the Professional Land Surveyors' Act, the bill would impose a state-mandated local program.*

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

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

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

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

1 SECTION 1. Section 130 of the Business and Professions Code  
2 is amended to read:  
3 130. (a) Notwithstanding any other law, the term of office of  
4 any member of an agency designated in subdivision (b) shall be  
5 for a term of four years expiring on June 1.  
6 (b) Subdivision (a) applies to the following boards or  
7 committees:  
8 (1) The Medical Board of California.  
9 (2) The Podiatric Medical Board of California.  
10 (3) The Physical Therapy Board of California.  
11 (4) The Board of Registered Nursing, except as provided in  
12 subdivision (c) of Section 2703.  
13 (5) The Board of Vocational Nursing and Psychiatric  
14 Technicians.  
15 (6) The California State Board of Optometry.  
16 (7) The California State Board of Pharmacy.  
17 (8) The Veterinary Medical Board.  
18 (9) The California Architects Board.  
19 (10) The Landscape Architect Technical Committee.  
20 (11) The Contractors State License Board.  
21 (12) The Board of Behavioral Sciences.  
22 (13) The Court Reporters Board of California.  
23 (14) The State Athletic Commission.  
24 (15) The Osteopathic Medical Board of California.  
25 (16) The Respiratory Care Board of California.  
26 (17) The Acupuncture Board.  
27 (18) The Board of Psychology.  
28 (19) The Structural Pest Control Board.  
29 SEC. 2. Section 6710 of the Business and Professions Code is  
30 amended to read:  
31 6710. (a) There is in the Department of Consumer Affairs a  
32 Board for Professional Engineers, Land Surveyors, and Geologists,  
33 which consists of 15 members.

1 (b) Any reference in any law or regulation to the Board of  
2 Registration for Professional Engineers and Land Surveyors, or  
3 the Board for Professional Engineers and Land Surveyors, is  
4 deemed to refer to the Board for Professional Engineers, Land  
5 Surveyors, and Geologists.

6 (c) This section shall remain in effect only until January 1, 2029,  
7 and as of that date is repealed. Notwithstanding any other law, the  
8 repeal of this section renders the board subject to review by the  
9 appropriate policy committees of the Legislature.

10 SEC. 3. Section 6711 of the Business and Professions Code is  
11 amended to read:

12 6711. Each member of the board shall be a citizen of the United  
13 States. Five members shall be registered under this chapter. One  
14 member shall be licensed under the Professional Land Surveyors'  
15 Act, Chapter 15 (commencing with Section 8700), one member  
16 shall be licensed under the Geologist and Geophysicist Act, Chapter  
17 12.5 (commencing with Section 7800), and eight shall be public  
18 members who are not registered under this act, licensed under the  
19 Geologist and Geophysicist Act, or licensed under the Professional  
20 Land Surveyors' Act. Each member, except the public members,  
21 shall have at least 12 years active experience and shall be of good  
22 standing in their profession. Each member shall have been a  
23 resident of this state for at least five years immediately preceding  
24 their appointment.

25 SEC. 4. Section 6713 of the Business and Professions Code is  
26 amended to read:

27 6713. Each appointing authority shall have the power to remove  
28 from office at any time any member of the board appointed by that  
29 authority pursuant to Section 106.

30 SEC. 5. Section 6714 of the Business and Professions Code is  
31 amended to read:

32 6714. The board shall appoint an executive officer at a salary  
33 to be fixed and determined by the board with the approval of the  
34 Director of Finance.

35 This section shall remain in effect only until January 1, 2029,  
36 and as of that date is repealed.

37 *SEC. 6. Section 6738 of the Business and Professions Code,*  
38 *as amended by Section 1 of Chapter 302 of the Statutes of 2022,*  
39 *is amended to read:*

1 6738. (a) This chapter does not prohibit one or more civil,  
2 electrical, or mechanical engineers from practicing or offering to  
3 practice, within the scope of their license, civil (including  
4 geotechnical and structural), electrical, or mechanical engineering  
5 as a sole proprietorship, partnership, limited liability partnership,  
6 firm, or corporation (hereinafter called business), if all of the  
7 following requirements are met:

8 (1) A civil, electrical, or mechanical engineer currently licensed  
9 in this state is an owner, partner, or officer in charge of the  
10 engineering practice of the business.

11 (2) All civil, electrical, or mechanical engineering services are  
12 performed by, or under the responsible charge of, a professional  
13 engineer licensed in the appropriate branch of professional  
14 engineering.

15 (3) If the business name of a California engineering business  
16 contains the name of any person, then that person shall be licensed  
17 as a professional engineer, a licensed land surveyor, a licensed  
18 architect, or a geologist registered under the Geologist and  
19 Geophysicist Act (Chapter 12.5 (commencing with Section 7800)).  
20 Any offer, promotion, or advertisement by the business that  
21 contains the name of any individual in the business, other than by  
22 use of the name of an individual in the business name, shall clearly  
23 and specifically designate the license or registration discipline of  
24 each individual named.

25 (b) An out-of-state business with a branch office in this state  
26 shall meet the requirements of ~~subdivision~~ *subdivisions* (a) *and*  
27 (h) and shall have an owner, partner, or officer who is in charge  
28 of the engineering work in the branch in this state, who is licensed  
29 in this state, and who is physically present at the branch office in  
30 this state on a regular basis. However, the name of the business  
31 may contain the name of any person not licensed in this state if  
32 that person is appropriately registered or licensed in another state.  
33 Any offer, promotion, or advertisement that contains the name of  
34 any individual in the business, other than by use of the names of  
35 the individuals in the business name, shall clearly and specifically  
36 designate the license or registration discipline of each individual  
37 named.

38 (c) The business name of a California engineering business may  
39 be a fictitious name. However, if the fictitious name includes the

1 name of any person, the requirements of paragraph (3) of  
2 subdivision (a) shall be met.

3 (d) A person not licensed under this chapter may also be a  
4 partner or an officer of a civil, electrical, or mechanical engineering  
5 business if the requirements of subdivision (a) are met. This section  
6 does not permit a person who is not licensed under this chapter to  
7 be the sole owner of a civil, electrical, or mechanical engineering  
8 business, unless otherwise exempt under this chapter.

9 (e) This section shall not prevent the use of the name of any  
10 business engaged in rendering civil, electrical, or mechanical  
11 engineering services, including the use by any lawful successor  
12 or survivor, that lawfully was in existence on December 31, 1987.  
13 However, the business is subject to paragraphs (1) and (2) of  
14 subdivision (a).

15 (f) A business engaged in rendering civil, electrical, or  
16 mechanical engineering services may use in its name the name of  
17 a deceased or retired person provided all of the following  
18 conditions are satisfied:

19 (1) The person's name had been used in the name of the  
20 business, or a predecessor in interest of the business, before and  
21 after the death or retirement of the person.

22 (2) The person shall have been an owner, partner, or officer of  
23 the business, or an owner, partner, or officer of the predecessor in  
24 interest of the business.

25 (3) The person shall have been licensed as a professional  
26 engineer, or a land surveyor, or an architect, or a geologist, (A) by  
27 the appropriate licensing board if that person is operating a place  
28 of business or practice in this state, or (B) by the applicable state  
29 board if no place of business existed in this state.

30 (4) The person, if retired, has consented to the use of the name  
31 and does not permit the use of the name in the title of another  
32 professional engineering business in this state during the period  
33 of the consent. However, the retired person may use their name as  
34 the name of a new or purchased business if it is not identical in  
35 every respect to that person's name as used in the former business.

36 (5) The business shall be subject to the provisions of paragraphs  
37 (1) and (2) of subdivision (a).

38 (g) This section does not affect the provisions of Sections 6731.2  
39 and 8726.1.

1 (h) (1) A current organization record form shall be filed with  
2 the board for all businesses engaged in rendering civil, electrical,  
3 or mechanical engineering services.

4 (2) *The filing of the organization record form described in*  
5 *paragraph (1) shall be accompanied by documentary evidence*  
6 *that demonstrates compliance with the provisions described in*  
7 *paragraphs (1) and (2) of subdivision (a).*

8 (i) This section shall remain in effect only until January 1, 2026,  
9 and as of that date is repealed.

10 *SEC. 7. Section 6738 of the Business and Professions Code,*  
11 *as amended by Section 2 of Chapter 302 of the Statutes of 2022,*  
12 *is amended to read:*

13 6738. (a) This chapter does not prohibit one or more civil,  
14 electrical, or mechanical engineers from practicing or offering to  
15 practice within the scope of their license civil (including  
16 geotechnical and structural), electrical, or mechanical engineering  
17 as a sole proprietorship, partnership, firm, or corporation  
18 (hereinafter called business), if all of the following requirements  
19 are met:

20 (1) A civil, electrical, or mechanical engineer currently licensed  
21 in this state is an owner, partner, or officer in charge of the  
22 engineering practice of the business.

23 (2) All civil, electrical, or mechanical engineering services are  
24 performed by, or under the responsible charge of, a professional  
25 engineer licensed in the appropriate branch of professional  
26 engineering.

27 (3) If the business name of a California engineering business  
28 contains the name of any person, then that person shall be licensed  
29 as a professional engineer, a licensed land surveyor, a licensed  
30 architect, or a geologist registered under the Geologist and  
31 Geophysicist Act (Chapter 12.5 (commencing with Section 7800)).  
32 Any offer, promotion, or advertisement by the business that  
33 contains the name of any individual in the business, other than by  
34 use of the name of an individual in the business name, shall clearly  
35 and specifically designate the license or registration discipline of  
36 each individual named.

37 (b) An out-of-state business with a branch office in this state  
38 shall meet the requirements of ~~subdivision~~ *subdivisions (a) and*  
39 *(h)* and shall have an owner, partner, or officer who is in charge  
40 of the engineering work in the branch in this state, who is licensed

1 in this state, and who is physically present at the branch office in  
2 this state on a regular basis. However, the name of the business  
3 may contain the name of any person not licensed in this state if  
4 that person is appropriately registered or licensed in another state.  
5 Any offer, promotion, or advertisement that contains the name of  
6 any individual in the business, other than by use of the names of  
7 the individuals in the business name, shall clearly and specifically  
8 designate the license or registration discipline of each individual  
9 named.

10 (c) The business name of a California engineering business may  
11 be a fictitious name. However, if the fictitious name includes the  
12 name of any person, the requirements of paragraph (3) of  
13 subdivision (a) shall be met.

14 (d) A person not licensed under this chapter may also be a  
15 partner or an officer of a civil, electrical, or mechanical engineering  
16 business if the requirements of subdivision (a) are met. This section  
17 does not permit a person who is not licensed under this chapter to  
18 be the sole owner of a civil, electrical, or mechanical engineering  
19 business, unless otherwise exempt under this chapter.

20 (e) This section shall not prevent the use of the name of any  
21 business engaged in rendering civil, electrical, or mechanical  
22 engineering services, including the use by any lawful successor  
23 or survivor, that lawfully was in existence on December 31, 1987.  
24 However, the business is subject to paragraphs (1) and (2) of  
25 subdivision (a).

26 (f) A business engaged in rendering civil, electrical, or  
27 mechanical engineering services may use in its name the name of  
28 a deceased or retired person provided all of the following  
29 conditions are satisfied:

30 (1) The person's name had been used in the name of the  
31 business, or a predecessor in interest of the business, before and  
32 after the death or retirement of the person.

33 (2) The person shall have been an owner, partner, or officer of  
34 the business, or an owner, partner, or officer of the predecessor in  
35 interest of the business.

36 (3) The person shall have been licensed as a professional  
37 engineer, or a land surveyor, or an architect, or a geologist, (A) by  
38 the appropriate licensing board if that person is operating a place  
39 of business or practice in this state, or (B) by the applicable state  
40 board if no place of business existed in this state.



1 (4) The person, if retired, has consented to the use of the name  
2 and does not permit the use of the name in the title of another  
3 professional engineering business in this state during the period  
4 of the consent. However, the retired person may use their name as  
5 the name of a new or purchased business if it is not identical in  
6 every respect to that person's name as used in the former business.

7 (5) The business shall be subject to the provisions of paragraphs  
8 (1) and (2) of subdivision (a).

9 (g) This section does not affect the provisions of Sections 6731.2  
10 and 8726.1.

11 (h) (1) A current organization record form shall be filed with  
12 the board for all businesses engaged in rendering civil, electrical,  
13 or mechanical engineering services.

14 (2) *The filing of the organization record form described in*  
15 *paragraph (1) shall be accompanied by documentary evidence*  
16 *that demonstrates compliance with the provisions described in*  
17 *paragraphs (1) and (2) of subdivision (a).*

18 (i) This section shall become operative on January 1, 2026.

19 ~~SEC. 6.~~

20 *SEC. 8.* Section 6749 of the Business and Professions Code is  
21 amended to read:

22 6749. (a) A professional engineer shall use a written contract  
23 when contracting to provide professional engineering services to  
24 a client pursuant to this chapter. The written contract shall be  
25 executed by the professional engineer and the client or the client's  
26 representative prior to the professional engineer commencing work,  
27 unless the client knowingly states in writing that work may be  
28 commenced before the contract is executed. The written contract  
29 shall include, but not be limited to, all of the following:

30 (1) A description of the services to be provided to the client by  
31 the professional engineer.

32 (2) A description of any basis of compensation applicable to  
33 the contract, and the method of payment agreed upon by the parties.

34 (3) The name, address, and license or certificate number of the  
35 professional engineer, and the name and address of the client.

36 (4) A description of the procedure that the professional engineer  
37 and the client will use to accommodate additional services.

38 (5) A description of the procedure to be used by both parties to  
39 terminate the contract.

1 (6) Disclosure of any existence of a current professional liability  
2 insurance policy covering the professional engineer in responsible  
3 charge of the services.

4 (b) This section shall not apply to any of the following:

5 (1) Professional engineering services rendered by a professional  
6 engineer for which the client will not pay compensation.

7 (2) A professional engineer who has a current or prior  
8 contractual relationship with the client to provide engineering  
9 services, and that client has paid the professional engineer all of  
10 the fees that are due under the contract.

11 (3) If the client knowingly states in writing after full disclosure  
12 of this section that a contract which complies with the requirements  
13 of this section is not required.

14 (4) Professional engineering services rendered by a professional  
15 engineer to any of the following:

16 (A) A professional engineer licensed or registered under this  
17 chapter.

18 (B) A land surveyor licensed under Chapter 15 (commencing  
19 with Section 8700).

20 (C) An architect licensed under Chapter 3 (commencing with  
21 Section 5500).

22 (D) A contractor licensed under Chapter 9 (commencing with  
23 Section 7000).

24 (E) A geologist or a geophysicist licensed under Chapter 12.5  
25 (commencing with Section 7800).

26 (F) A manufacturing, mining, public utility, research and  
27 development, or other industrial corporation, if the services are  
28 provided in connection with or incidental to the products, systems,  
29 or services of that corporation or its affiliates.

30 (G) A public agency.

31 (c) "Written contract" as used in this section includes a contract  
32 that is in electronic form.

33 ~~SEC. 7.~~

34 *SEC. 9.* Section 6755 of the Business and Professions Code is  
35 amended to read:

36 6755. (a) Examination duration and composition shall be  
37 designed to conform to the following general principle: The first  
38 division of the examination shall test the applicant's knowledge  
39 of appropriate fundamental engineering subjects, including  
40 mathematics and the basic sciences; the second division of the

1 examination shall test the applicant's ability to apply their  
2 knowledge and experience and to assume responsible charge in  
3 the professional practice of the branch of engineering in which the  
4 applicant is being examined.

5 (b) The board may by rule provide for a waiver of the first  
6 division of the examination for applicants whose education and  
7 experience qualifications substantially exceed the requirements of  
8 subdivision (a) of Section 6751.

9 (c) The board may by rule provide for a waiver of any part of  
10 the second division of the examination for persons eminently  
11 qualified for licensure in this state by virtue of their standing in  
12 the engineering community, their years of experience, and those  
13 other qualifications as the board deems appropriate.

14 ~~SEC. 8:~~

15 *SEC. 10.* Section 6755.1 of the Business and Professions Code  
16 is amended to read:

17 6755.1. (a) The second division of the examination for  
18 registration as a professional engineer shall include questions to  
19 test the applicant's knowledge of state laws and the board's rules  
20 and regulations regulating the practice of professional engineering.  
21 The board shall administer the test on state laws and board rules  
22 regulating the practice of engineering in this state as a separate  
23 part of the second division of the examination for registration as  
24 a professional engineer.

25 (b) On and after April 1, 1988, the second division of the  
26 examination for registration as a civil engineer shall also include  
27 questions to test the applicant's knowledge of seismic principles  
28 and engineering surveying principles as defined in Section 6731.1.  
29 No registration for a civil engineer shall be issued by the board on  
30 or after January 1, 1988, to any applicant unless they have  
31 successfully completed questions to test their knowledge of seismic  
32 principles and engineering surveying principles.

33 The board shall administer the questions to test the applicant's  
34 knowledge of seismic principles and engineering surveying  
35 principles as separate parts of the second division of the  
36 examination for registration as a civil engineer.

37 It is the intent of the Legislature that this section confirm the  
38 authority of the board to issue registrations prior to April 1, 1988,  
39 to applicants based on examinations not testing the applicant's

1 knowledge of seismic principles and engineering surveying  
2 principles as defined in Section 6731.1.

3 ~~SEC. 9.~~

4 *SEC. 11.* Section 6763.5 of the Business and Professions Code  
5 is amended to read:

6 6763.5. If an applicant for licensure as a professional engineer,  
7 for certification as an engineer-in-training, or for authorization to  
8 use the title “structural engineer” or “soil engineer” is found by  
9 the board to lack the qualifications required for admission to the  
10 examination for such licensure, certification, or authorization, the  
11 board may, in accordance with the provisions of Section 158 of  
12 this code, refund to them their examination fee.

13 ~~SEC. 10.~~

14 *SEC. 12.* Section 6787 of the Business and Professions Code  
15 is amended to read:

16 6787. A person who does any of the following is guilty of a  
17 misdemeanor:

18 (a) Unless the person is exempt from licensure under this  
19 chapter, practices or offers to practice civil, electrical, or  
20 mechanical engineering in this state according to this chapter  
21 without legal authorization.

22 (b) Presents or attempts to file as the person’s own the certificate  
23 of an engineer-in-training or the certificate of licensure of a  
24 licensed professional engineer unless they are the person named  
25 on the certificate.

26 (c) Gives false evidence of any kind to the board, or to any board  
27 member, in obtaining a certificate as an engineer-in-training or a  
28 certificate of licensure.

29 (d) Impersonates or uses the seal, signature, or license number  
30 of a licensed professional engineer or uses a false license number.

31 (e) Impersonates or uses the certificate number of an  
32 engineer-in-training or uses a false certificate.

33 (f) Uses an expired, suspended, surrendered, or revoked  
34 certificate or license.

35 (g) Represents themselves as, or uses the title of, a licensed or  
36 registered civil, electrical, or mechanical engineer, or any other  
37 title whereby that person could be considered as practicing or  
38 offering to practice civil, electrical, or mechanical engineering in  
39 any of its branches, unless they are correspondingly qualified by

1 licensure as a civil, electrical, or mechanical engineer under this  
2 chapter.

3 (h) Unless appropriately licensed, manages, or conducts as  
4 manager, proprietor, or agent, any place of business from which  
5 civil, electrical, or mechanical engineering work is solicited,  
6 performed, or practiced, except as authorized pursuant to Section  
7 8726.1.

8 (i) Uses the title, or any combination of that title, of  
9 “professional engineer,” “licensed engineer,” “registered engineer,”  
10 or the branch titles specified in Section 6732, or the authority titles  
11 specified in Sections 6736 and 6736.1, or “engineer-in-training,”  
12 or makes use of any abbreviation of that title that might lead to  
13 the belief that the person is a licensed engineer, is authorized to  
14 use the titles specified in Section 6736 or 6736.1, or holds a  
15 certificate as an engineer-in-training, without being licensed,  
16 authorized, or certified as required by this chapter.

17 (j) Uses the title “consulting engineer” without being licensed  
18 as required by this chapter or without being authorized to use that  
19 title pursuant to legislation enacted at the 1963, 1965, or 1968  
20 Regular Session.

21 (k) Violates any provision of this chapter.

22 ~~SEC. 11.~~

23 *SEC. 13.* Section 7839.2 of the Business and Professions Code  
24 is amended to read:

25 7839.2. (a) A professional geologist or professional  
26 geophysicist shall use a written contract when contracting to  
27 provide geological or geophysical services to a client pursuant to  
28 this chapter. The written contract shall be executed by the  
29 professional geologist or professional geophysicist and the client  
30 or the client’s representative prior to the professional geologist or  
31 professional geophysicist commencing work, unless the client  
32 states in writing that work may be commenced before the contract  
33 is executed. The written contract shall include, but is not limited  
34 to, all of the following:

35 (1) A description of the services to be provided to the client by  
36 the professional geologist or professional geophysicist.

37 (2) A description of any basis of compensation applicable to  
38 the contract, and the method of payment agreed upon by the parties.

1 (3) The name, address, and license or certificate number of the  
2 professional geologist or professional geophysicist, and the name  
3 and address of the client.

4 (4) A description of the procedure that the professional geologist  
5 or professional geophysicist and the client will use to accommodate  
6 additional services.

7 (5) A description of the procedure to be used by both parties to  
8 terminate the contract.

9 (6) Disclosure of any existence of a current professional liability  
10 insurance policy covering the professional geologist or professional  
11 geophysicist in responsible charge of the services.

12 (b) Subdivision (a) shall not apply to any of the following:

13 (1) Geologic or geophysical services rendered by a professional  
14 geologist or professional geophysicist for which the client will not  
15 pay compensation.

16 (2) A geologist or geophysicist who has a current or prior  
17 contractual relationship with the client to provide geologic or  
18 geophysical services, and who has already been paid the fees that  
19 are due under the contract by the client.

20 (3) If the client executes a waiver in writing after full disclosure  
21 of this section that a contract that complies with the requirements  
22 of this section is not required.

23 (4) Geological or geophysical services rendered by a geologist  
24 or geophysicist to any of the following:

25 (A) A geologist or geophysicist licensed under this chapter.

26 (B) An engineer licensed under Chapter 7 (commencing with  
27 Section 6700).

28 (C) A land surveyor licensed under Chapter 15 (commencing  
29 with Section 8700).

30 (D) An architect licensed under Chapter 3 (commencing with  
31 Section 5500).

32 (E) A contractor licensed under Chapter 9 (commencing with  
33 Section 7000).

34 (F) A public agency.

35 (c) As used in this section, "written contract" includes a contract  
36 in electronic form.

37 ~~SEC. 12.~~

38 *SEC. 14.* Section 7872 of the Business and Professions Code  
39 is amended to read:

1 7872. A person who does any of the following is guilty of a  
2 misdemeanor:

3 (a) Unless the person is exempt from licensure under this  
4 chapter, practices or offers to practice geology or geophysics for  
5 others in this state according to the provisions of this chapter  
6 without legal authorization.

7 (b) Presents or attempts to file as their own the certificate of a  
8 geologist-in-training or the license of a professional geologist,  
9 certified specialty geologist, a professional geophysicist, or a  
10 certified specialty geophysicist, unless they are the person named  
11 on the certificate or the license.

12 (c) Gives false evidence of any kind to the board, or to any board  
13 member, in obtaining a certificate or a license.

14 (d) Impersonates or uses the seal, signature, or license number  
15 of any professional geologist, certified specialty geologist,  
16 professional geophysicist, or certified specialty geophysicist or  
17 who uses a false license number.

18 (e) Impersonates or uses the certificate number of a  
19 geologist-in-training or who uses a false certificate.

20 (f) Uses an expired, suspended, surrendered, or revoked  
21 certificate or license.

22 (g) Represents themselves as, or uses the title of, professional  
23 geologist, or any other title whereby the person could be considered  
24 as practicing or offering to practice geology for others, unless the  
25 person is qualified by licensure as a professional geologist under  
26 this chapter, or represents themselves as, or uses the title of,  
27 professional geophysicist, or any other title whereby the person  
28 could be considered as practicing or offering to practice geophysics  
29 for others, unless the person is qualified by licensure as a  
30 professional geophysicist under this chapter.

31 (h) Unless the person is licensed, manages, or conducts as  
32 manager, proprietor, or agent, any place of business from which  
33 geological or geophysical work is solicited, performed, or practiced  
34 for others, except as authorized pursuant to Section 7834.

35 (i) Uses the title, or any combination of that title, of  
36 "professional geologist," "registered geophysicist," or "professional  
37 geophysicist," the title of any licensed certified specialty geologist  
38 or any licensed certified specialty geophysicist, or  
39 "geologist-in-training," or who makes use of any abbreviation of  
40 a title that might lead to the belief that the person is licensed as a

1 geologist, a geophysicist, a certified specialty geologist, or a  
 2 certified specialty geophysicist, or holds a certificate as a  
 3 geologist-in-training, without being licensed, licensed and certified,  
 4 or certified, as required by this chapter.

5 (j) Violates any provision of this chapter.

6 ~~SEC. 13.~~

7 *SEC. 15.* Section 8710 of the Business and Professions Code  
 8 is amended to read:

9 8710. (a) The Board for Professional Engineers, Land  
 10 Surveyors, and Geologists is vested with power to administer the  
 11 provisions and requirements of this chapter, and may make and  
 12 enforce rules and regulations that are reasonably necessary to carry  
 13 out its provisions.

14 (b) The board may adopt rules and regulations of professional  
 15 conduct that are not inconsistent with state and federal law. The  
 16 rules and regulations may include definitions of incompetence and  
 17 negligence. Every person who holds a license or certificate issued  
 18 by the board pursuant to this chapter, or a license or certificate  
 19 issued to a civil engineer pursuant to Chapter 7 (commencing with  
 20 Section 6700), shall be governed by these rules and regulations.

21 (c) This section shall remain in effect only until January 1, 2029,  
 22 and as of that date is repealed. Notwithstanding any other law, the  
 23 repeal of this section renders the board subject to review by the  
 24 appropriate policy committees of the Legislature.

25 *SEC. 16.* Section 8729 of the Business and Professions Code,  
 26 as amended by Section 7 of Chapter 302 of the Statutes of 2022,  
 27 is amended to read:

28 8729. (a) This chapter does not prohibit one or more licensed  
 29 land surveyors or civil engineers licensed in this state before 1982  
 30 (hereinafter called civil engineers) from practicing or offering to  
 31 practice, within the scope of their licensure, land surveying as a  
 32 sole proprietorship, partnership, limited liability partnership, firm,  
 33 or corporation (hereinafter called business), if the following  
 34 conditions are satisfied:

35 (1) A land surveyor or civil engineer currently licensed in the  
 36 state is an owner, partner, or officer in charge of the land surveying  
 37 practice of the business.

38 (2) All land surveying services are performed by or under the  
 39 responsible charge of a land surveyor or civil engineer.



1 (3) If the business name of a California land surveying business  
2 contains the name of a person, then that person shall be licensed  
3 by the board as a land surveyor or licensed by the board in any  
4 year as a civil engineer. Any offer, promotion, or advertisement  
5 by the business that contains the name of any individual in the  
6 business, other than by use of the name of the individual in the  
7 business name, shall clearly and specifically designate the license  
8 discipline of each individual named.

9 (b) An out-of-state business with a branch office in this state  
10 shall meet the requirements of ~~subdivision~~ *subdivisions* (a) and  
11 (h) and shall have an owner, partner, or officer who is in charge  
12 of the land surveying work in this state, who is licensed in this  
13 state, and who is physically present at the branch office in this  
14 state on a regular basis. However, the name of the business may  
15 contain the name of a person not licensed in this state, if that person  
16 is appropriately licensed or registered in another state. Any offer,  
17 promotion, or advertisement that contains the name of any  
18 individual in the business, other than by use of the name of the  
19 individual in the business name, shall clearly and specifically  
20 designate the license or registration discipline of each individual  
21 named.

22 (c) The business name of a California land surveying business  
23 may be a fictitious name. However, if the fictitious name includes  
24 the names of any person, the requirements of paragraph (3) of  
25 subdivision (a) shall be met.

26 (d) A person not licensed under this chapter or licensed as a  
27 civil engineer in this state before 1982 may also be a partner or an  
28 officer of a land surveying business if the conditions of subdivision  
29 (a) are satisfied. This section does not permit a person who is not  
30 licensed under this chapter or licensed as a civil engineer in this  
31 state before 1982 to be the sole owner or office of a land surveying  
32 business, unless otherwise exempt under this chapter.

33 (e) This section shall not prevent the use of the name of any  
34 business engaged in rendering land surveying services, including  
35 the use by any lawful successor or survivor, that lawfully was in  
36 existence on June 1, 1941. However, the business is subject to the  
37 provisions of paragraphs (1) and (2) of subdivision (a).

38 (f) A business engaged in rendering land surveying services  
39 may use in its name the name of a deceased or retired person if  
40 the following conditions are satisfied:

1 (1) The person's name had been used in the name of the  
2 business, or a predecessor in interest of the business, before the  
3 death or retirement of the person.

4 (2) The person shall have been an owner, partner, or officer of  
5 the business, or an owner, partner, or officer of the predecessor in  
6 interest of the business.

7 (3) The person shall have been licensed as a land surveyor or a  
8 civil engineer by the board, if operating a place of business or  
9 practice in this state, or by an applicable state board in the event  
10 no place of business existed in this state.

11 (4) The person, if retired, has consented to the use of the name  
12 and does not permit the use of the name in the title of another land  
13 surveying business in this state during the period of that consent,  
14 except that a retired person may use their name as the name of a  
15 new or purchased business, if that business is not identical in every  
16 respect to that person's name as used in the former business.

17 (5) The business shall be subject to paragraphs (1) and (2) of  
18 subdivision (a).

19 (g) This section does not affect Sections 6731.2 and 8726.1.

20 (h) (1) A current organization record form shall be filed with  
21 the board for all businesses engaged in rendering professional land  
22 surveying services.

23 (2) *The filing of the organization record form described in*  
24 *paragraph (1) shall be accompanied by documentary evidence*  
25 *that demonstrates compliance with the provisions described in*  
26 *paragraphs (1) and (2) of subdivision (a).*

27 (i) This section shall remain in effect only until January 1, 2026,  
28 and as of that date is repealed.

29 *SEC. 17. Section 8729 of the Business and Professions Code,*  
30 *as amended by Section 8 of Chapter 302 of the Statutes of 2022,*  
31 *is amended to read:*

32 8729. (a) This chapter does not prohibit one or more licensed  
33 land surveyors or civil engineers licensed in this state before 1982  
34 (hereinafter called civil engineers) from practicing or offering to  
35 practice within the scope of their licensure, land surveying as a  
36 sole proprietorship, partnership, firm, or corporation (hereinafter  
37 called business), if the following conditions are satisfied:

38 (1) A land surveyor or civil engineer currently licensed in the  
39 state is an owner, partner, or officer in charge of the land surveying  
40 practice of the business.

1 (2) All land surveying services are performed by or under the  
2 responsible charge of a land surveyor or civil engineer.

3 (3) If the business name of a California land surveying business  
4 contains the name of a person, then that person shall be licensed  
5 by the board as a land surveyor or licensed by the board in any  
6 year as a civil engineer. Any offer, promotion, or advertisement  
7 by the business that contains the name of any individual in the  
8 business, other than by use of the name of the individual in the  
9 business name, shall clearly and specifically designate the license  
10 discipline of each individual named.

11 (b) An out-of-state business with a branch office in this state  
12 shall meet the requirements of ~~subdivision~~ *subdivisions* (a) and  
13 (h) and shall have an owner, partner, or officer who is in charge  
14 of the land surveying work in this state, who is licensed in this  
15 state, and who is physically present at the branch office in this  
16 state on a regular basis. However, the name of the business may  
17 contain the name of a person not licensed in this state, if that person  
18 is appropriately licensed or registered in another state. Any offer,  
19 promotion, or advertisement that contains the name of any  
20 individual in the business, other than by use of the name of the  
21 individual in the business name, shall clearly and specifically  
22 designate the license or registration discipline of each individual  
23 named.

24 (c) The business name of a California land surveying business  
25 may be a fictitious name. However, if the fictitious name includes  
26 the names of any person, the requirements of paragraph (3) of  
27 subdivision (a) shall be met.

28 (d) A person not licensed under this chapter or licensed as a  
29 civil engineer in this state before 1982 may also be a partner or an  
30 officer of a land surveying business if the conditions of subdivision  
31 (a) are satisfied. This section does not permit a person who is not  
32 licensed under this chapter or licensed as a civil engineer in this  
33 state before 1982 to be the sole owner or office of a land surveying  
34 business, unless otherwise exempt under this chapter.

35 (e) This section shall not prevent the use of the name of any  
36 business engaged in rendering land surveying services, including  
37 the use by any lawful successor or survivor, that lawfully was in  
38 existence on June 1, 1941. However, the business is subject to the  
39 provisions of paragraphs (1) and (2) of subdivision (a).

1 (f) A business engaged in rendering land surveying services  
2 may use in its name the name of a deceased or retired person if  
3 the following conditions are satisfied:

4 (1) The person's name had been used in the name of the  
5 business, or a predecessor in interest of the business, before the  
6 death or retirement of the person.

7 (2) The person shall have been an owner, partner, or officer of  
8 the business, or an owner, partner, or officer of the predecessor in  
9 interest of the business.

10 (3) The person shall have been licensed as a land surveyor or a  
11 civil engineer by the board, if operating a place of business or  
12 practice in this state, or by an applicable state board in the event  
13 no place of business existed in this state.

14 (4) The person, if retired, has consented to the use of the name  
15 and does not permit the use of the name in the title of another land  
16 surveying business in this state during the period of that consent,  
17 except that a retired person may use their name as the name of a  
18 new or purchased business, if that business is not identical in every  
19 respect to that person's name as used in the former business.

20 (5) The business shall be subject to paragraphs (1) and (2) of  
21 subdivision (a).

22 (g) This section does not affect Sections 6731.2 and 8726.1.

23 (h) (1) A current organization record form shall be filed with  
24 the board for all businesses engaged in rendering professional land  
25 surveying services.

26 (2) *The filing of the organization record form described in*  
27 *paragraph (1) shall be accompanied by documentary evidence*  
28 *that demonstrates compliance with the provisions described in*  
29 *paragraphs (1) and (2) of subdivision (a).*

30 (i) This section shall become operative on January 1, 2026.

31 ~~SEC. 14.~~

32 *SEC. 18.* Section 8748.5 of the Business and Professions Code  
33 is amended to read:

34 8748.5. If an applicant for license as a land surveyor or  
35 certification as a land surveyor-in-training is found by the board  
36 to lack the qualifications required for such license or certification,  
37 the board may, in accordance with the provisions of Section 158  
38 of this code, refund to them their examination fee.

1 ~~SEC. 15.~~

2 *SEC. 19.* Section 8759 of the Business and Professions Code  
3 is amended to read:

4 8759. (a) A licensed land surveyor or licensed civil engineer  
5 authorized to practice land surveying shall use a written contract  
6 when contracting to provide professional services to a client  
7 pursuant to this chapter. The written contract shall be executed by  
8 the licensed land surveyor or licensed civil engineer and the client  
9 or the client's representative prior to the licensed land surveyor or  
10 licensed civil engineer commencing work, unless the client  
11 knowingly states in writing that work may be commenced before  
12 the contract is executed. The written contract shall include, but  
13 not be limited to, all of the following:

14 (1) A description of the services to be provided to the client by  
15 the licensed land surveyor or licensed civil engineer.

16 (2) A description of any basis of compensation applicable to  
17 the contract, and the method of payment agreed upon by the parties.

18 (3) The name, address, and license or certificate number of the  
19 licensed land surveyor or licensed civil engineer, and the name  
20 and address of the client.

21 (4) A description of the procedure that the licensed land surveyor  
22 or licensed civil engineer and the client will use to accommodate  
23 additional services.

24 (5) A description of the procedure to be used by both parties to  
25 terminate the contract.

26 (6) Disclosure of any existence of a current professional liability  
27 insurance policy covering the licensed land surveyor or licensed  
28 civil engineer in responsible charge of the services.

29 (b) This section shall not apply to any of the following:

30 (1) Professional land surveying services rendered by a licensed  
31 land surveyor or licensed civil engineer for which the client will  
32 not pay compensation.

33 (2) A licensed land surveyor or licensed civil engineer who has  
34 a current or prior contractual relationship with the client to provide  
35 professional services pursuant to this chapter, and that client has  
36 paid the licensed land surveyor or licensed civil engineer all of the  
37 fees that are due under the contract.

38 (3) If the client knowingly states in writing after full disclosure  
39 of this section that a contract which complies with the requirements  
40 of this section is not required.

1 (4) Professional services rendered by a licensed land surveyor  
2 or a licensed civil engineer to any of the following:

3 (A) A professional engineer licensed under Chapter 7  
4 (commencing with Section 6700).

5 (B) A land surveyor licensed under this chapter.

6 (C) An architect licensed under Chapter 3 (commencing with  
7 Section 5500).

8 (D) A contractor licensed under Chapter 9 (commencing with  
9 Section 7000).

10 (E) A geologist or a geophysicist licensed under Chapter 12.5  
11 (commencing with Section 7800).

12 (F) A manufacturing, mining, public utility, research and  
13 development, or other industrial corporation, if the services are  
14 provided in connection with or incidental to the products, systems,  
15 or services of that corporation or its affiliates.

16 (G) A public agency.

17 (c) "Written contract" as used in this section includes a contract  
18 that is in electronic form.

19 *SEC. 20. Section 8771.6 is added to the Business and  
20 Professions Code, to read:*

21 *8771.6. (a) In every case where any monument is found with  
22 a physical condition that is less than permanent and durable, the  
23 licensed land surveyor or registered civil engineer using that  
24 monument as control in any survey shall reconstruct or rehabilitate  
25 the monument so that the same shall be left by them in such  
26 physical condition that it remains as permanent a monument as is  
27 reasonably possible and so that the same may be reasonably  
28 expected to be located with facility at all times in the future.*

29 *(b) This section shall remain in effect only until January 1, 2029,  
30 and as of that date is repealed.*

31 *SEC. 21. Section 8773.3 of the Business and Professions Code  
32 is amended to read:*

33 *8773.3. In every case where a corner record is filed pursuant  
34 to Section 8773, the licensed land surveyor or registered civil  
35 engineer shall reconstruct or rehabilitate the monument of such  
36 corner, and accessories to such corner, so that the same shall be  
37 left by ~~him~~ them in such physical condition that it remains as  
38 permanent a monument as is reasonably possible and so that the  
39 same may be reasonably expected to be located with facility at all  
40 times in the future.*

1 ~~SEC. 16.~~

2 *SEC. 22.* Section 8792 of the Business and Professions Code  
3 is amended to read:

4 8792. A person who does any of the following is guilty of a  
5 misdemeanor:

6 (a) Unless the person is exempt from licensure under this  
7 chapter, practices, or offers to practice, land surveying in this state  
8 without legal authorization.

9 (b) Presents as their own the certificate of a land  
10 surveyor-in-training or the license of a professional land surveyor  
11 unless they are the person named on the certificate or the license.

12 (c) Attempts to file as their own any record of survey under the  
13 license of a professional land surveyor.

14 (d) Gives false evidence of any kind to the board, or to any  
15 board member, in obtaining a certificate or a license.

16 (e) Impersonates or uses the seal, signature, or license number  
17 of a professional land surveyor or who uses a false license number.

18 (f) Impersonates or uses the certificate number of a land  
19 surveyor-in-training or who uses a false certificate.

20 (g) Uses an expired, suspended, surrendered, or revoked  
21 certificate or license.

22 (h) Represents themselves as, or uses the title of, professional  
23 land surveyor, or any other title whereby that person could be  
24 considered as practicing or offering to practice land surveying,  
25 unless the person is correspondingly qualified by licensure as a  
26 land surveyor under this chapter.

27 (i) Uses the title, or any combination of that title, of  
28 "professional land surveyor," "licensed land surveyor," "land  
29 surveyor," or the titles specified in Sections 8751 and 8775, or  
30 "land surveyor-in-training," or who makes use of any abbreviation  
31 of that title that might lead to the belief that the person is a licensed  
32 land surveyor or holds a certificate as a land surveyor-in-training,  
33 without being licensed or certified as required by this chapter.

34 (j) Unless appropriately licensed, manages, or conducts as  
35 manager, proprietor, or agent, any place of business from which  
36 land surveying work is solicited, performed, or practiced, except  
37 as authorized pursuant to Section 6731.2.

38 (k) Violates any provision of this chapter.

1     ~~SEC. 17.~~

2     *SEC. 23.* No reimbursement is required by this act pursuant to  
3 Section 6 of Article XIII B of the California Constitution because  
4 the only costs that may be incurred by a local agency or school  
5 district will be incurred because this act creates a new crime or  
6 infraction, eliminates a crime or infraction, or changes the penalty  
7 for a crime or infraction, within the meaning of Section 17556 of  
8 the Government Code, or changes the definition of a crime within  
9 the meaning of Section 6 of Article XIII B of the California  
10 Constitution.

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## IX. Executive Officer's Report

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- A. Rulemaking Status Report
- B. Update on Board's Business Modernization Project
- C. Personnel
- D. ABET
- E. Association of State Boards of Geology (ASBOG)
- F. National Council of Examiners for Engineering and Surveying (NCEES)
  - 1. August 14-17, 2024, Annual Meeting Report
  - 2. Consider Nomination of Coby King for NCEES Emeritus Member (**Possible Action**)
- G. Update on Outreach Efforts



## Rulemaking Status Report

### **1. Applications, References, Computation of Qualifying Experience, and Schedule of Examinations (16 CCR sections 420, 427.10, 427.30, 3021, 3022.2, 3023, and 3032)**

- Staff working with Legal to prepare language for Board review.
  - Staff working on final text for submittal to DCA Legal in September 2022.
  - Staff working with DCA Legal to finalize proposal for notice (April 2022).
  - Submitted for initial (pre-notice) review by DCA Legal on December 6, 2021.
  - Board directed staff to pursue rulemaking proposal on November 8, 2021.

### **2. Definition of Traffic Engineering (16 CCR 404)**

- Staff working on researching the concerns with a follow up report later this year.
  - Board took action to withdraw rulemaking package at the June 27, 2024, Board Meeting.
  - Board staff will work with DCA Legal to prepare documents for initial notice.
  - Submitted for initial (pre-notice) review by DCA Legal on September 3, 2020.
  - Board directed staff to pursue rulemaking proposal on March 8, 2018.

### **3. Definitions of Negligence and Incompetence and Responsible Charge Criteria for Professional Geologists and Professional Geophysicists (16 CCR sections 3003 and 3003.1)**

- Board staff will work on the pre-notice documents.
  - Board directed staff to pursue rulemaking proposal on September 6, 2018.

**Note:** Documents related to any rulemaking file listed as noticed for public comment can be obtained from the Board's website at: [http://www.bpelsq.ca.gov/about\\_us/rulemaking.shtml](http://www.bpelsq.ca.gov/about_us/rulemaking.shtml).

## PROJECT STATUS REPORT

<b>Reporting period:</b>	1/21/2020 – 8/12/2024	<b>Project title:</b>	Business Modernization Cohort 1
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### EXECUTIVE SUMMARY

<b>Narrative Summary of Status</b>	<b>Schedule:</b>	<b>GREEN</b>	<b>Budget:</b>	<b>GREEN</b>	<b>Issues:</b>	<b>GREEN</b>
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The Maintenance & Operations (M&O) phase of project began July 2022 and expected to continue through 2024. Current development is underway to support originally planned enforcement investigation and monitoring.


### PROJECT MILESTONE STATUS REVIEW


<b>Project Milestones</b>	<b>Status</b>	<b>Completion Date</b>	<b>Issues Exist (Yes/No)</b>
Project Planning Complete – Project Start	Complete	1/13/2020	No
Go Live – Most Viable Product (MVP1)	Complete	9/16/2020	No
Go Live - Product Increment 2 (PI2)	Complete	1/20/2021	No
Go Live - Product Increment 3 (PI3)	Complete	6/16/2021	No
Go Live - Product Increment 3.5 (PI3.5)	Complete	11/10/2021	No
Go Live - Product Increment 4 (PI4)	Complete	4/29/2022	No
Go Live – M&O Increment 1 (PI5/M&O1)	Complete	10/12/2022	No
Go Live – M&O Increment 2 (PI6/M&O2)	Complete	2/28/2023	No


Go Live – M&O Increment 3 (PI7/M&O3)	Complete	4/18/2023	No
Go Live – M&O Fall Release	Complete	9/14/2023	No
Go Live – M&O February Release (SE App)	Complete	2/29/2024	No
Go Live – M&O April Release (GE/TE Apps)	Complete	4/11/2024	No

# QUARTERLY OUTREACH REPORT (Q4)

## SOCIAL MEDIA: April - June 2024

 TOP FACEBOOK POSTS	DATE	IEWS
CEG Exam Request	4/17	115
NCEES Fire Protection Request	4/23	114
Meeting Materials Available for May 9-10 Board Meeting	5/09	100
Sunset Review Assembly Background Paper Available	4/22	95
PG or GIT Applications Online	4/30	85

 TOP TWEETS	DATE	IEWS
CEG Exam Assistance Request	5/17	202
NCEES Fire Protection Engineers Notice	5/23	171
Sunset Review Background Paper Notice	5/22	76
Continuous Online Application Notice	4/30	62
Notice and Agenda for May 9-10 Board Meeting	5/29	59

 WEB PAGE VIEWS	IEWS
License lookup	106,878
Board Home Page	54,473
Applicants Information	35,123
License Renewal Information	26,177

## OUTREACH EVENTS

**KEY:**

- AEG – Association of Engineering Geologists
- APWA – American Public Works Association
- ASCE - American Society of Civil Engineers
- CEAC - County Engineers Association of California
- CLSA - Calif. Land Surveyors Association
- NCCELSA - North County Civil Engineers and Land Surveyors Association
- LCISO - League of California Surveying Organizations
- PECG – Professional Engineers in California Government
- YMF - Young Members Forum
- YPG - Young Professionals Group

### BPELSG Outreach Events April, May, June 2024

Date	Event	# of Attendees
April 10, 2024	Upcoming Changes to PE Licensure; APWA and ASCE YMF Chapters (Ventura/Santa Barbara) (virtual); N. King, PE	45
April 16, 2024	CSU, Long Beach: Pathway to GIT and PG Licensure J. Goodwin, PG, CEG	20
April 16, 2024	Professional Licensure in California; Cal Poly Pomona Cal Geo student chapter (virtual); N. King, PE	20
April 18, 2024	BKF Young Professionals Lunch & Learn (virtual) N. King, PE, D. Sweeney, PLS	40
April 21, 2024	AEG Sacramento Chapter Meeting: AEG Licensure Committee Informational Discussion J. Goodwin, PG, CEG	14
April 24, 2024	NCCELSA/CLSA San Diego LS Updates D. Sweeney (virtual)	60
April 24, 2024	PE Licensure in CA; Caltrans District 3 & PECG Marysville Section (virtual); N. King, PE	225
April 25, 2024	PE Review Course; ASCE LA YMF (virtual); N. King, PE	65
May 2, 2024	Professional Licensure in CA; CSU Fullerton Senior Seminar (virtual); N. King, PE	35
May 7, 2024	FE/PE Info Session: ASCE San Jose Student Chapter N. King, PE	30
May 16, 2024	PE Review Course; ASCE San Diego YMF (virtual); N. King, PE	65
May 23, 2024	LCISO Geospatial Symposium PLS Updates D. Sweeney (virtual)	50
May 30, 2024	Cal Poly, San Luis Obispo: Pathway to GIT and PG Licensure J. Goodwin, PG, CEG	25
June 13, 2024	Monterey ACEC & CLSA Board updates N. King PE, D. Sweeney PLS & R. Moore PLS	22
June 27, 2024	Gold Country CLSA Board Updates D. Sweeney PLS	20





## **X. President's Report/Board Member Activities**

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**XI. Approval of Meeting Minutes (Possible Action)**

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A. Approval of June 27, 2024, Board Meeting Minutes



**DRAFT**

**MINUTES OF THE BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND GEOLOGISTS**

Thursday, June 27, 2024

<b>Board Members Present:</b>	President Michael Hartley; Vice-President Christina Wong; Fel Amistad; Alireza Asgari; Rossana D'Antonio; Coby King; Betsy Mathieson; and Frank Ruffino
<b>Board Members Absent:</b>	Khaesha Brooks; Guillermo Martinez; Wilfredo Sanchez; and Fermin Villegas
<b>Board Staff Present:</b>	Ric Moore (Executive Officer); Tiffany Criswell (Enforcement Manager); Celina Calderone (Board Liaison); Christopher Pirrone (Legal Counsel)

**I. Roll Call to Establish a Quorum**

President Hartley called the meeting to order at 9:00 a.m. and a quorum was established.

**II. Pledge of Allegiance**

President Hartley led everyone in the recitation of the Pledge of Allegiance.

**III. Public Comment for Items Not on the Agenda**

There was no public comment.

**IV. Hearing on the Petition for Reinstatement of Revoked License of Michael Melgoza**

This hearing was held on Thursday, June 27, 2024

**V. Closed Session – The Board met in Closed Session to discuss, as needed:**

A. Deliberate on a Decision(s) to be Reached in a Proceeding(s) Required to be Conducted Pursuant to Chapter 5 (commencing with Section 11500), as Authorized by Government Code Section 11126(c)(3).

B. Confer with, or Receive Advice from, Its Legal Counsel Regarding Pending Litigation Pursuant to Government Code Section 11126(e)(1) and (2)(A), on the following matters:

1. Ryan Crownholm, et al. vs. Richard B. Moore, et al., United States District Court, Eastern District of California, Case No. 2:22-cv-01720-DAD-CKD
2. Victor Rodriguez-Fernandez vs. California Board for Professional Engineers, Land Surveyors, and Geologists, San Diego County Superior Court, Case No. 37-2023-00053465-CU-WM-CTL

**NOTE:** The Board met in Closed Session immediately following the Hearing on the Petition for Reinstatement of Revoked License to decide that matter, pursuant to

Government Code Section 11126(c)(3) and discussed pending litigation as noted above.

## **VI. Administration**

### **A. Fiscal Year 2023/24 Budget Report**

Mr. Moore reported that revenue is in the positive at over \$300,000 compared to two years ago primarily due to renewals and fee changes. Also, there is approximately a month and a half in reserve carrying forward into the next budget year.

Mr. Moore reviewed the age demographics and explained that since birth dates for the licensee population have been largely updated due to the Connect system, data can be collected with a better degree of certainty. He reported that the current value of the renewal revenue for licenses held by active licensees age 65+ is at 26% of the Board's overall license renewal revenue and that it is something to keep in mind as any changes to fees and continuing education requirements are discussed in the future. He also noted the rate of change in the licensee population. He asked the Board to consider the generational change whereas, you may not see an increase of licensees every year similar to what was witnessed in past decades. He believes renewals are already cresting and flattening out and as a result, perhaps a slight downward trend.

During Public comment, Mike Hank, Division Chief for Land Surveys with Caltrans District 11, introduced himself and welcomed everyone and reflected on the great partnership they have with the Board.

## **VII. Enforcement**

### **A. Enforcement Statistical Reports**

#### **1. Fiscal Year 2023/24 Update**

Ms. Criswell reviewed the Enforcement statistics. Ms. Mathieson commended Ms. Criswell.

## **VIII. Exams/Licensing**

### **A. Examination/Licensing Updates**

No report given.

## **IX. Legislation**

### **A. 2024 Legislative Calendar**

Mr. Moore reviewed the legislative calendar.

### **B. Discussion of Legislation for 2024 (Possible Action)**

- 1. AB 1862** - Engineering, land surveying, and architecture: limited liability partnerships.  
No action taken.

During Public Comment, an individual by the name of Bob DeWitt representing the American Council of Engineering Companies (ACEC) and an individual by the name of Ken Discenza, a representative of the National Society of Professional Engineers (NSPE) California, both support this bill.

2. **AB 2862** - Licenses: African American applicants.  
No action taken.
3. **AB 3176** - Professional land surveyors: surveying practices: monuments and corner accessories.  
No action taken.
4. **AB 3253** - Board for Professional Engineers, Land Surveyors, and Geologists: licensees

Mr. Moore referred to the last minute agenda addendum for the Board’s Sunset bill (AB 3253) which reflects amendments made by the committees on June 17 and subsequently on June 25, 2024. The first amendments were related to board member eligibility requirements and feedback from stakeholder groups on unlicensed practice. The second amendments were related to proposed language previously discussed by the Board under AB 1862 (limited-liability partnerships) and AB 3176 (land surveying monuments). Staff recommended that the Board confirm its previous position of Support for AB 3253.

Alan Escarda representing Professional Engineers in California Government (PECG) supports effort in reference to unlicensed activity and is pleased to see that public agencies are exempt from disclosure as there is a difference between public employees and the private sector.

Bob DeWitt representing American Council of Engineering Companies (ACEC) reported that they met with California Land Surveyors Association (CLSA) and discussed the language included in the bill and will likely support it.

<b>MOTION:</b>	Mr. Ruffino and Vice-President Wong moved to take a position of “Support” on AB 3253, as revised June 25, 2024.
<b>VOTE:</b>	8-0, Motion Carried

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				
Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				

Khaesha Brooks				X	
Rossana D'Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson	X				
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

**X. Discussion to Rescind Proposed Rulemaking to Amend Title 16, CCR Section 404 (Traffic Engineers)**

Mr. Moore explained that when a rulemaking package is assembled, it is the responsibility of the Board to prepare the documentation in concert with the Department's Regulations Unit and Legal office. Mr. Moore noted that staff continues to work on the preparation of this particular rulemaking package. At the request of the Board, the Traffic Technical Advisory Committee (TAC) met twice in 2015 and again in 2018 to discuss the concerns voiced by applicants about the overlap of traffic and civil engineering and their definitions. One of the primary items discussed at those committee meetings was that the Board regulates the practice of civil engineering, the use of the title, and that the definition appears in statute for civil engineering with a provision that expressly prohibits the Board from further clarifying or expanding on the definition of civil engineering in rulemaking. As for traffic engineering, the Board does not regulate the practice of traffic engineering rather only the use of the title. The Traffic TAC attempted to modernize the language and returned with recommendations which included a copy of the committee's original 2018 report on page 99 of the meeting materials. At that time, the Board agreed to begin the rulemaking process however, as of today, both the the Regulations Unit and Legal Office indicated that the Board does not have sufficient rationale to justify the changes.

Mr. Moore explained that the Board is not able to move forward with the Rulemaking as it stands as there is not sufficient rationale. He offered the Board options to consider. Regardless of how the Board chooses to proceed, this rulemaking package needs to be withdrawn as there is not sufficient evidence to support the need to make these proposed revisions.

After withdrawing, the Board can choose to either:

1. Do nothing.
2. Request a report from staff on how prevalent these concerns are with respect to a lack of understanding of the definition of traffic engineering, perceived or otherwise, with a plan for how best to address the concerns including what efforts staff has performed since 2015 when the concerns were first presented.



3. Form a new Traffic Engineering TAC with the sole purpose to reevaluate the current definition and bring forth any recommendations to the Board with the proper rationale.

During Public Comment Walter Okitsu, a licensed civil and traffic engineer and former member of the Traffic TAC, distributed a handout with a proposed definition that originated at the TAC meeting from 2018. He is not in favor of reassembling the TAC to produce the same result. Mr. Okitsu explained that he believes the rationale would be clear if the board utilized the definition he provided and would be able to obtain whatever support necessary.

<b>MOTION:</b>	Dr. Asgari and Mr. King moved to withdraw the rulemaking package.
<b>VOTE:</b>	8-0, Motion Carried

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				
Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				
Khaesha Brooks				X	
Rossana D'Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson	X				
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

<b>MOTION:</b>	Dr. Amistad and Vice-President Wong moved to request a report from staff on how prevalent these concerns are with respect to a lack of understanding of the definition of traffic engineering, perceived or otherwise, with a plan for how best to address the concerns including what efforts staff has performed since 2015 when the concerns were first presented.
<b>VOTE:</b>	7-1, Motion Carried

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				
Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				

Khaesha Brooks				X	
Rossana D'Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson		X			
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

**XI. Executive Officer's Report**

**A. Rulemaking Status Report**

Mr. Moore reported that staff is working with Legal to prepare language for the Board to review for the Applications, References, Computation of Qualifying Experience, and Schedule of Examinations (16 CCR sections 420, 427.10, 427.30, 3021, 3022.2, 3023, and 3032)

In addition, staff continues to work on Definitions of Negligence and Incompetence and Responsible Charge Criteria for Professional Geologists and Professional Geophysicists (16 CCR sections 3003 and 3003.1)

**B. Update on Board's Business Modernization Project**

Mr. Moore reported that the Agile Team is currently working on various fixes. He recently discussed maintenance and operations with DCA staff and communicating priorities for the next Fiscal Year such as completing the enforcement aspect which includes management and monitoring in the back office for the Enforcement Unit. There are three more license application types to complete: certified engineering geologist, certified hydrogeologist, and professional geophysicist. In addition, there is the renewal assessment for which staff is planning to begin work on content next month. Mr. Moore's current estimation is that it will be completed by the end of Fiscal Year 2024/25.

**C. Personnel**

Mr. Moore reported that currently there are five vacant positions, and staff is actively working to fill them. Previously, he reported that three positions were intentionally left vacant to demonstrate a savings, while continuing to evaluate the Board's needs with the Connect system. Staff responsibilities have evolved, and workflow had to be reevaluated. Mr. Moore reported that one of the Board's evaluators was recently promoted to an analyst position as they have taken on a more analytical role. They now have the ability to pre-qualify applicants before they even go into technical review. A vacant Office Assistant position was reclassified as a Staff Services Analyst position and was filled. Through the evaluation of the Board's vacancies, a Staff Services Analyst and an Associate Governmental Program Analyst were redirected from the Administration Unit as license renewals are now online and are actively recruiting for the vacant analyst position in the Enforcement Unit. In addition, staff is currently recruiting for the Senior Registrar and the Assistant Executive Officer positions.

D. ABET

No report given.

E. Association of State Boards of Geology (ASBOG)

ASBOG is kicking off a strategic planning discussion and have asked Mr. Moore to be a participant as a Member Board Administrator.

Ms. Mathieson reported that Josh Goodwin, Senior Geologist Registrar was nominated as a candidate for Secretary, and she previously expressed some concern as she was on the ASBOG nominations committee. She has since withdrawn from the committee as she was not comfortable. There are 3-4 additional candidates and one of the criteria is geographic distribution of officers on the executive board. Currently, there is no one on the west coast and two of the other candidates are from the west coast.

F. National Council of Examiners for Engineering and Surveying (NCEES)

1. May 16-18, 2024 Western Zone Interim Meeting Report

Mr. Moore reported that it was a good meeting held in Bozeman, Montana. They received a preview of the motions that may come forward to the Annual Meeting. Additionally, there were the elections for the Zone Vice-president and the President Elect from the Western Zone. Aaron Blaisdell, PLS (WA Board) was elected as the Western Zone Vice President for 2024-26 and Elizabeth Johnston, PE (AK Board) was elected as 2024-25 President-Elect in a close vote.

3. 2024-25 President-Elect Nomination

Mr. Moore reported that former Board member Dr. Mohammad Qureshi is considering a floor nomination at the Annual meeting since he did not prevail at the Western Zone vote for this position. According to the NCEES rules, you must have a motion and four member boards must second that motion. Mr. Moore advised him that it would probably be best if the main motion did not come from the California Board as it would show more interest and strength if it came from another board and from multiple zones. Dr. Qureshi is currently talking to different boards and weighing his options.

Mr. Moore added that there were elections for the Assistant Zone Vice-President and that Scott Sayles, PE (AZ Board) was elected as the 2024-26 Western Zone Assistant Vice President.

2. Annual Meeting August 14-17, 2024

Report appears below in Summary of Motions.

4. Summary of Motions

Finance Motion 3 is a proposal to restructure the Annual membership fees. Mr. Moore reviewed the three-tiered fee structure. 95% of all the boards are paying the higher fee. While the proposal is not about producing revenue, it

is more about equity among the smaller member boards. The Board's membership fee will increase from \$6,500 annually to \$8,500 annually commencing January 1, 2026.

<b>MOTION:</b>	Mr. King and President Hartley moved to accept the restructuring of the membership fees even if it results in a nominal increase to California.
<b>VOTE:</b>	8-0, Motion Carried

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				
Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				
Khaesha Brooks				X	
Rossana D'Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson	X				
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

Mr. Moore reviewed MBA Motion 1 and reported that this is a motion to send to the UPLG Committee for amendments to Model Law related to expungements for licensees. It does not directly impact the Board as we have not adopted Model Law. He brought it to the attention of the Board as it relates to enforcement and expungement of convictions that may result in a licensee's reinstatements. The Board of Directors endorsed it however did not place it on the consent agenda as it is expected to be pulled to be discussed further by the council. Ms. Criswell further explained that California does not expunge convictions so it is somewhat of a non-issue.

As for MBA Motion 2, Mr. Moore explained that within NCEES, expungement is related to Model Law Engineer, Model Law Surveyor, and Model Law Structural Engineer. If a licensee loses their Model Law status through NCEES, and the conviction results in an expungement with their licensing board, will the licensee restore their Model Law status? The NCEES Board of Directors does not endorse the return of their status and the motion is not on the consent agenda. He predicts it will be controversial as it has no effect outside NCEES.

Engineering Licensure Task Force (2 motions) ELTF Motion 1. Mr. Moore summarized that this motion is related to a prior New Mexico motion from several years ago related to if a licensee had ten years of uninterrupted

licensure without any disciplinary action in their home state and were seeking a comity license in New Mexico, licensure would be granted. The New Mexico Board presented it to the Western Zone and encouraged them to make a motion at the Annual Meeting and it failed. This motion is another attempt to establish some sort of comity in Model Law.

Northeast Zone Motion. Mr. Moore reported that there are engineering degrees that are accredited by the Engineering Accrediting Commission (EAC) of ABET. There is also a technical engineering commission under ABET known as the Engineering Technical Accrediting Commission (ETAC) which has been a controversial topic as other boards would not accept their degrees. In later years, it has been slightly more accepted but not without controversy. The California Board has accepted ETAC degrees for some time. The Northeast Zone is attempting to make it more widely accepted as the engineering technology degrees are very popular in the northeast part of the country. The NCEES Board of Director's endorsed it but placed it on non-consent as it will be open for discussion.

Ms. Mathieson expressed how impressed she was at the diligence of getting the wording consistent, and that NCEES is proceeding with gender neutral language.

Mr. Moore has been appointed to the UPLG committee next year, Vice-President Wong is on the Committee on Finances, Mr. King has been appointed to ACCA Committee and asked the Board to consider emeritus status for him at the next meeting. Ms. Criswell was reappointed to the Law Enforcement Committee, and Ms. D'Antonio was appointed to the Licensure Abstract Committee.

#### G. Update on Outreach Efforts

Mr. Moore reviewed outreach efforts. Vice-President Wong attended the MBA forum and reported that outreach was a topic of discussion, and it appears that some boards conduct outreach as early as high school and even middle school. Mr. Moore's observation is that many licensed members of boards are very active in their professional organizations, serving in dual roles. The Board has established a relationship with various professional organizations and with universities and colleges. Two of the more active colleges are Cal Poly Pomona and Fresno State as they have annual conferences in which Board staff will set up a booth and hold discussions on the licensing process.

During public comment, Alan Escarda reported that he attended the virtual presentation offered by the Board's Senior Geology and Geophysics Registrar, Joshua Goodwin, and also recommended the Board consider offering resources that target high school students on the Board's website. He believes the Board is progressing and evolving and urges the Board to continue.

**XII. President’s Report/Board Member Activities**

Vice President Wong announced that she is the 2024 inductee of the California Social Work Hall of Distinction for outstanding social workers in California with a focus on public and consumer protection.

**XIII. Nomination and Election of President and Vice President for Fiscal Year 2024/25 (Possible Action)**

<b>MOTION:</b>	Ms. Mathieson moved to elect Christina Wong as President and Guillermo Martinez as Vice President
<b>VOTE:</b>	8-0, Motion Carried

The Nominating Committee, consisting of Betsy Mathieson and Rossana D’Antonio, presented a recommended slate consisting of Christina Wong for President and Guillermo Martinez for Vice President. There were no nominations from the floor. Vice President Wong accepted the nomination and expressed her desire to continue the Board’s mission of consumer protection and since Mr. Martinez was unavailable, Ms. Mathieson read Guillermo Martinez’s candidate statement letter where he accepted the nomination and stated that the Board is an amazing organization and would be honored to have the opportunity to better serve the Board.

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				
Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				
Khaesha Brooks				X	
Rossana D’Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson	X				
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

**XIV. Approval of Meeting Minutes (Possible Action)**

A. Approval of May 9, 2024, Board Meeting Minutes

<b>MOTION:</b>	Ms. Mathieson and Dr. Amistad moved to approve the May 9, 2024 Board meeting minutes.
<b>VOTE:</b>	8-0, Motion Carried

Member Name	Yes	No	Abstain	Absent	Recusal
President Hartley	X				

Vice-President Wong	X				
Fel Amistad	X				
Alireza Asgari	X				
Khaesha Brooks				X	
Rossana D'Antonio	X				
Coby King	X				
Guillermo Martinez				X	
Betsy Mathieson	X				
Frank Ruffino	X				
Wilfredo Sanchez				X	
Fermin Villegas				X	

**XV. Adjourn**

The Board adjourned at 3:40 p.m.

**PUBLIC PRESENT**

Todd Traunero, Caltrans  
Michael Melgoza  
Alex Janecek  
Alan Escarda, PECCG  
Robert DeWitt, ACEC-CA  
Sergio Vasquez, Caltrans  
Walter Okitsu





**XII. Closed Session – The Board will meet in Closed Session to discuss, as needed:**

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- A. Deliberate on a Decision(s) to be Reached in a Proceeding(s) Required to be Conducted Pursuant to Chapter 5 (commencing with Section 11500), as Authorized by Government Code Section 11126(c)(3).
- B. Confer with, or Receive Advice from, Its Legal Counsel Regarding Pending Litigation Pursuant to Government Code Section 11126(e)(1) and (2)(A), on the following matters:
  1. Ryan Crownholm, et al. vs. Richard B. Moore, et al., United States District Court, Eastern District of California, Case No. 2:22-cv-01720-DAD-CKD
  2. Victor Rodriguez-Fernandez vs. California Board for Professional Engineers, Land Surveyors, and Geologists, San Diego County Superior Court, Case No. 37-2023-00053465-CU-WM-CTL



### **XIII. Adjourn**

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