STATE OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS

BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY • GOVERNOR EDMUND G. BROWN JR.

BOARD OF PSYCHOLOGY – Administration
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MEMORANDUM

DATE	July 30, 2015
TO	Board of Psychology Members
FROM	Jonathan Burke Administrative Services Coordinator
SUBJECT	**SB 468 (Hill) Bureau of Security and Investigative Services: licensees.**

Background:

SB 468 (Hill) Bureau of Security and Investigative Services (BSIS): licensees.

At the May meeting, the Board adopted an "oppose unless amended" position. The Board determined the current language of the bill was problematic in that it allowed an unlicensed individual to perform psychological testing of applicants for firearms permits. The Board approved amendment language that was to be communicated to the Author's office.

At the June meeting, the Board modified its position by automatically adopting a "neutral" position is the Board's amendments were added to the bill. The Boards amendments were added in July 1, 2015 and the neutral position was communicated to the author and the Senate Business, Professions, and Economic Development Committee.

LOCATION: 07/14/15 In Assembly. Read second time and amended. Re-referred to Com. on Appropriations.

Action Requested:

The staff recommendation is for the Board to continue to watch SB 468.

Attachment A is the language of the bill.

California LEGISLATIVE INFORMATION

SB-468 Bureau of Security and Investigative Services: licensees. (2015-2016)

AMENDED IN ASSEMBLY JULY 14, 2015

AMENDED IN ASSEMBLY JULY 01, 2015

AMENDED IN SENATE JUNE 01, 2015

AMENDED IN SENATE APRIL 22, 2015

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

SENATE BILL **No. 468**

Introduced by Senator Hill

February 25, 2015

An act to amend Sections 7508.1, 7508.2, 7508.3, 7508.4, ~~7508.5,~~ 7508.6, 7542, 7563, 7566, 7583.4, 7583.6, 7583.12, 7583.22, 7583.23, 7583.33, 7587.8, 7587.9, 7587.10, 7587.12, 7587.14, 7597.1, 7597.2, 7597.3, 7597.5, 7597.6, 7598.51, 7598.53, 7599.32, 7599.33, 7599.34, 7599.36, 7599.37, 7599.38, ~~7599.39,~~ 7599.40, 7599.41, 7599.42, 7599.44, 7599.45, 7599.54, and 7599.59 of, to add Section 7585.4.1 to, to add Article 10 (commencing with Section 6981) to Chapter 8.5 of, to add Article 12 (commencing with Section 7511.5) to Chapter 11 of, to add Article 8 (commencing with Section 7573.5) to Chapter 11.3 of, to add Article 6 (commencing with Section 7576) to Chapter 11.4 of, to add Article 9 (commencing with Section 7588.8) to Chapter 11.5 of, and to add Article 15 (commencing with Section 7599.80) to Chapter 11.6 of, Division 3 of, the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 468, as amended, Hill. Bureau of Security and Investigative Services: licensees.

(1) Existing law provides for the regulation, by the Bureau of Security and Investigative Services, of locksmiths and the ~~employers~~ *employees* of locksmiths, repossessors, private investigators, private patrol operators, armored contract carriers, firearms and baton training facilities, and employees of those licensees, alarm company operators and alarm agents, and proprietary security services.

This bill would subject the bureau to review by the appropriate policy committees of the Legislature.

(2) Existing law, the Collateral Recovery Act, prohibits the use of an alias in connection with the official activities of a licensed repossession agency's business.

This bill would instead prohibit the use of a business name other than the name of a licensed repossession agency in connection with the official activities of the licensee's business.

~~(2)~~

(3) Existing law prohibits a licensed private investigator and qualified manager who, in the course of his or her employment or business, carries a deadly weapon to carry or use a firearm unless he or she has in his or her possession a valid firearms qualification card and requires the licensed private investigator and qualified manager to comply with, and be subject to, specified provisions. Under existing law, a firearms qualification card does not authorize the holder of the card to carry a firearm capable of being concealed upon the person in a concealed manner, as specified.

This bill would authorize those licensed private investigators and qualified managers who possess a valid firearms qualification card to also carry a concealed firearm if they satisfy specified conditions. *The bill would also require, if a firearms qualification card is denied, the denial to be in writing and include the basis for the denial.*

~~(3)~~

(4) The Alarm Company Act requires that specified agreements entered into by an alarm company pertaining to alarm systems, including, among others, lease agreements, monitoring agreements, service agreements, and installation agreements, be in writing and to include specified items.

This bill would additionally require all initial residential sales and lease agreements that contain an automatic renewal provision to disclose that the agreement contains an automatic renewal provision, as provided.

~~(4)~~

(5) The Private Security Services Act provides, among other matters, for the licensure and regulation of private patrol operators by the Bureau of Security and Investigative Services within the Department of Consumer Affairs and makes a violation of its provisions a crime. Under existing law, a person required to be registered as a security guard must report to his or her employer, within 24 hours of the incident, the circumstances surrounding the discharge of any firearm in which he or she is involved while acting within the course and scope of his or her employment. Existing law also requires a person registered as a security or patrolperson to deliver to the Director of Consumer Affairs and to local law enforcement a written report describing the circumstances surrounding the discharge of a firearm in which he or she was involved while acting within the course of his or her employment, within 7 days of the incident.

This bill would additionally impose the reporting duties upon the employer of the security guard or patrolperson.

~~(5)~~

(6) Existing law requires security guards, security patrolpersons, persons employed by private patrol operators and armored contract carriers, and registered uniform security guards to complete specified courses, acquire specified licenses, and be subject to specified provisions relating to their duties and relating to the carrying and use of a firearm or baton, as provided.

This bill would exempt from those provisions a federal *qualified* law enforcement ~~officer.~~ *officer, as defined.*

~~(6)~~

(7) Existing law provides that any institution, firm, or individual wishing the approval of the Bureau of Security and Investigative Services to offer the firearms course must complete an application for certification as a firearms training facility, as specified.

This bill would require the bureau, within 90 days after issuance of a "Firearms Training Facility Certificate," to inspect the facility for compliance with the specified requirements. The bill would authorize the bureau to inspect the facility prior to the issuance of a certificate. The bill would also require the bureau to maintain a program of random and targeted inspections of facilities to ensure compliance with applicable laws relating to the conduct and operation of facilities, and to inform facilities when the bureau determines that the facility is not in compliance with the above-mentioned laws.

~~(7)~~

(8) Existing law requires the Bureau of Security and Investigative Services to issue a firearms permit to a private patrol operator when specified conditions are satisfied, including that the bureau has determined, after investigation, that the carrying and use of a firearm by the applicant, in the course of his or her duties, presents no apparent threat to the public safety.

This bill would, beginning July 1, 2017, require an applicant for a firearms permit or the renewal of a firearms permit to undergo a psychological evaluation by a licensed psychologist in order to certify the applicant's psychological capability to exercise appropriate judgment, restraint, and self-control, as provided. The bill would authorize the bureau to decide whether an applicant be administered an additional evaluation after the discharge of a firearm, as described.

~~(8)~~

(9) The Collateral Recovery Act, the Private Investigator Act, the Private Security Services Act, and the Alarm Company Act impose, or authorize the imposition of, various fines and civil penalties, or suspend various licenses or permits issued pursuant to those acts, for violations of specified provisions of those acts.

This bill would revise specified fine amounts, civil penalty amounts, and suspensions for violations of specified provisions of the Collateral Recovery Act, the Private Investigator Act, the Private Security Services Act, and the Alarm Company Act.

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

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

SECTION 1. Article 10 (commencing with Section 6981) is added to Chapter 8.5 of Division 3 of the Business and Professions Code, to read:

Article 10. Review

6981. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

SEC. 2. Section 7508.1 of the Business and Professions Code is amended to read:

7508.1. The director may assess administrative fines for the following prohibited acts:

(a) Knowingly making any false report to his or her employer or client for whom information was being obtained. The fine shall be one hundred dollars ($100) for the first violation and five hundred dollars ($500) for each violation thereafter.

(b) Using any identification to indicate registration as a repossessor, other than the bureau-issued registration card, except an employer identification card issued by the repossession agency which has met bureau approval, or a badge, cap insignia, or jacket patch as provided in Section 7508.8. A bureau-issued registration card shall be carried by those individuals specified by Section 7506.3, and shall be shown on demand to any bureau employee or law enforcement officer. The fine shall be one hundred dollars ($100) for each violation.

(c) Using ~~an alias~~ *a business name other than the name under which the license is issued* in connection with the official activities of the licensee's business. The ~~fine shall be~~ *bureau shall issue a notice of warning for a first violation, a fine of* one hundred dollars ($100) for the ~~first violation~~ *second violation,* and *a fine of* two hundred fifty dollars ($250) for each violation thereafter.

(d) Appearing as an assignee party in any court proceeding involving claim and delivery, replevin, or other possessory court action, action to foreclose a chattel mortgage, mechanic's lien, materialman's lien, or any other lien. This section shall not prohibit a licensee from appearing as a defendant in any of the preceding actions. The fine shall be one hundred dollars ($100) for each violation.

SEC. 3. Section 7508.2 of the Business and Professions Code is amended to read:

7508.2. The director may assess administrative fines for any of the following prohibited acts:

(a) Recovering collateral or making any money demand in lieu thereof, including, but not limited to, collateral registered under the Vehicle Code, that has been sold under a security agreement before a signed or telegraphic authorization has been received from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor of the collateral. A telephonic assignment is acceptable if the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is known to the licensee and a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor,

lienholder, or lessor is received by the licensee within 10 working days or a request by the licensee for a written authorization from the legal owner, debtor, lienholder, lessor, or repossession agency acting on behalf of the legal owner, debtor, lienholder, or lessor is made in writing within 10 working days. Referrals of assignments from one licensee to another licensee are acceptable. The referral of an assignment shall be made under the same terms and conditions as in the original assignment. The fine shall be one hundred dollars ($100) for the first violation and five hundred dollars ($500) for each violation thereafter, per audit.

(b) Using collateral or personal effects, which have been recovered, for the personal benefit of a licensee, or officer, partner, manager, registrant, or employee of a licensee. The fine shall be two hundred fifty dollars ($250) for the first violation and one thousand dollars ($1,000) for each violation thereafter. This subdivision does not apply to personal effects disposed of pursuant to subdivision (c) of Section 7507.9. Nothing in this subdivision prohibits the using or taking of personal property connected, adjoined, or affixed to the collateral through an unbroken sequence if that use or taking is reasonably necessary to effectuate the recovery in a safe manner or to protect the collateral or personal effects.

(c) Selling collateral recovered under this chapter, or making a demand for payment in lieu of repossession. The fine shall be two hundred fifty dollars ($250) for the first violation and one thousand dollars ($1,000) for each subsequent violation.

(d) Unlawfully entering any private building or secured area without the consent of the owner, or of the person in legal possession thereof, at the time of repossession. The fine shall be five hundred dollars ($500) for each violation.

(e) Committing unlawful assault or battery on another person. The fine shall not exceed two thousand five hundred dollars ($2,500) for each violation.

(f) Falsification ~~or alteration~~ of an inventory. The fine shall be one hundred dollars ($100) for the first violation and two hundred fifty dollars ($250) for each violation thereafter.

(g) Soliciting from the legal owner the recovery of specific collateral registered under the Vehicle Code or under the motor vehicle licensing laws of other states after the collateral has been seen or located on a public street or on public or private property without divulging the location of the vehicle. The fine shall be one hundred dollars ($100) for the first violation and two hundred fifty dollars ($250) for each violation thereafter.

SEC. 4. Section 7508.3 of the Business and Professions Code is amended to read:

7508.3. A licensee, or any of his or her registrants or employees, or a qualified certificate holder, is prohibited from using any false or misleading representation during the course of recovery of collateral and may be assessed a fine of one hundred dollars ($100) for the first violation and a fine of two hundred fifty dollars ($250) for any subsequent violation of any of the following:

(a) The false representation or implication that the individual is vouched for, bonded by, or affiliated with the United States or with any state, county, city, or city and county, including the use of any badge, uniform, or facsimile thereof.

(b) The false representation or implication that any individual is an attorney or that any communication is from any attorney.

(c) The representation or implication by a repossession agency or its registrants or employees that nonpayment of any debt will result in the arrest or imprisonment of any person or the seizure, garnishment, attachment, or sale of any property or wages of any person, unless the action is lawful and the creditor has instructed the repossession agency to inform the debtor that the creditor intends to take the action.

(d) The threat to take any action that cannot legally be taken or that is not intended to be taken.

(e) The false representation or implication that the debtor committed any crime or other conduct in order to disgrace the debtor.

(f) The use or distribution of any written communication which simulates or is falsely represented to be a document authorized, issued, or approved by any court, official, or agency of the United States or any state, or which creates a false impression as to its source, authorization, or approval.

(g) The false representation or implication that documents are legal process.

(h) The use of any business, company, or organization name other than the true name of the repossession agency's business, company, or organization.

(i) The use of any deceptive forms.

SEC. 5. Section 7508.4 of the Business and Professions Code is amended to read:

7508.4. The director may assess administrative fines for any of the following prohibited acts:

(a) Conducting business from any location other than that location to which a license was issued or conducting a business as an individual, partnership, limited liability company, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, limited liability company, or corporation. The fine shall be one thousand dollars ($1,000) for each violation.

(b) Aiding or abetting an unlicensed repossessor or assigning his or her license. "Assigning his or her license" means that no licensee shall permit a registrant, employee, or agent in his or her own name to advertise, engage clients, furnish reports, or present bills to clients, or in any manner whatsoever to conduct business for which a license is required under this chapter. The fine shall be one thousand dollars ($1,000) for each violation.

(c) Failing to register registrants within 15 days. The fine shall be two hundred fifty dollars ($250) for each of the first two violations and one thousand dollars ($1,000) for each violation thereafter.

(d) Employing a person whose registration has expired or been revoked, denied, suspended, or canceled, if the bureau has furnished a listing of these persons to the licensee. The fine shall be one hundred fifty dollars ($150) for the first violation and a fine not to exceed one thousand dollars ($1,000) for each violation thereafter.

(e) Failing to notify the bureau, within 30 days, of any change in officers. A notice of warning shall be issued for the first violation. Thereafter, the fine shall be five hundred dollars ($500) for each violation.

(f) Failing to submit the notices regarding a violent act or threatened violent act within seven days pursuant to Section 7507.6 or to submit a copy of a judgment awarded against the licensee for an amount of more than the then prevailing maximum claim that may be brought in small claims court within seven days pursuant to Section 7507.7. The fine shall be five hundred dollars ($500) for the first violation and one thousand dollars ($1,000) for each violation thereafter.

(g) Failing to include the licensee's name, address, and license number in any advertisement. The fine shall be fifty dollars ($50) for each violation.

(h) Failing to maintain personal effects for at least 60 days. The fine shall be one hundred dollars ($100) for the first violation and two hundred fifty dollars ($250) for each violation thereafter.

(i) Failing to provide a personal effects list or a notice of seizure within the time limits set forth in Section 7507.9 or 7507.10. The fine shall be one hundred dollars ($100) for the first violation and two hundred fifty dollars ($250) for each violation thereafter.

(j) Failing to file the required report pursuant to Section 28 of the Vehicle Code. The fine shall be ~~two hundred fifty dollars ($250)~~ *one hundred dollars ($100)* for the first violation and two hundred fifty dollars ($250) for each violation thereafter, per audit.

(k) Failing to maintain an accurate record and accounting of secure temporary registration forms. The qualified certificate holder shall be fined two hundred fifty dollars ($250) for the first violation, five hundred dollars ($500) for the second violation, and one thousand dollars ($1,000) plus a one-year suspension of the privilege to issue temporary registrations pursuant to Section 7506.9 for the third and subsequent violations.

(l) Representing that a licensee has an office and conducts business at a specific address when that is not the case. The fine shall be five thousand dollars ($5,000) for each violation.

(m) Notwithstanding any other law, the money in the Private Security Services Fund that is attributable to administrative fines imposed pursuant to this section shall not be continuously appropriated and shall be available for expenditure only upon appropriation by the Legislature.

~~SEC. 6.Section 7508.5 of the Business and Professions Code is amended to read:~~

~~7508.5.The director may assess administrative fines against a repossession agency registrant for the following acts, in addition to fines imposed pursuant to any other section in this article. The fine shall be fifty dollars ($50) for each of the following violations:~~

~~(a)Knowingly submitting a false report.~~

~~(b)Submitting a report to a client without authorization by his or her employer.~~

~~(c)Failing to carry a bureau-issued identification card and failing to show that card upon demand to a bureau employee or a law enforcement officer.~~

~~(d)Failing to register.~~

~~(e)Failing to return his or her registration card to the employer upon termination.~~

~~(f)Failing to report a violent act involving the registrant to the licensee or the licensee's qualified certificate holder within 24 hours.~~

~~SEC. 7.~~***SEC. 6.*** Section 7508.6 of the Business and Professions Code is amended to read:

7508.6. The director may assess administrative fines against any repossession agency licensee, qualified certificate holder, or registrant for failure to notify the bureau within 30 days of any change of residence or business address. The fine shall be fifty dollars ($50) for each violation.

~~SEC. 8.~~***SEC. 7.*** Article 12 (commencing with Section 7511.5) is added to Chapter 11 of Division 3 of the Business and Professions Code, to read:

Article 12. Review

7511.5. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

~~SEC. 9.~~***SEC. 8.*** Section 7542 of the Business and Professions Code is amended to read:

7542. ~~Every~~ *(a) A* licensee and qualified manager who in the course of his or her employment or business carries a deadly weapon shall complete a course of training in the exercise of the powers to arrest as specified in Section 7583.7 and a course of training in the carrying and use of firearms as specified in Article 4 (commencing with Section 7583) of Chapter 11.5. A licensee or qualified manager shall not carry or use a firearm unless he or she has met the requirements of subdivisions (a) to (d), inclusive, and subdivision (g) of Section 7583.23, and Sections *7583.24 and* 7583.28~~ and 7583.29~~ and has in his or her possession a valid firearms qualification card~~ as provided in Section 7583.30~~. A licensee or qualified manager who possesses a valid firearms qualification card shall comply with and be subject to~~ the provisions of~~ Sections *7583.25, 7583.26, 7583.27,* 7583.31, 7583.32, and 7583.37. A licensee or qualified manager who possesses a valid firearms qualification card may carry a firearm capable of being concealed upon the person in a concealed manner if he or she complies with applicable provisions set forth in Chapter 4 (commencing with Section 26150) of Division 5 of Title 4 of Part 6 of the Penal Code.

(b) (1) If a firearms qualification card is denied, the denial shall be in writing and shall describe the basis for the denial. Along with the denial, the applicant shall be informed that he or she may request a hearing in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) The hearing shall be requested of the director within 30 days following issuance of the denial. However, no hearing shall be granted to an applicant who is otherwise prohibited by law from carrying a firearm.

~~SEC. 10.~~***SEC. 9.*** Section 7563 of the Business and Professions Code is amended to read:

7563. The director, in lieu of suspending or revoking a license issued under this chapter for violations of Sections 7561.1, 7561.3, and 7561.4, may impose a civil penalty not to exceed five hundred dollars ($500) for the first violation, and one thousand dollars ($1,000) for each violation thereafter, upon a licensee, if the director determines that this action better serves the purposes of this chapter.

~~SEC. 11.~~***SEC. 10.*** Section 7566 of the Business and Professions Code is amended to read:

7566. The director may assess administrative fines of fifty dollars ($50) against any licensee, ~~registrant,~~ *qualified manager,* or firearms qualification cardholder for each violation for failure to notify the bureau within 30 days of any change of residence or business address. The principal place of business may be at a home or at a business address, but it shall be the place at which the licensee maintains a permanent office.

~~SEC. 12.~~***SEC. 11.*** Article 8 (commencing with Section 7573.5) is added to Chapter 11.3 of Division 3 of the Business and Professions Code, to read:

Article 8. Review

7573.5. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

~~SEC. 13.~~***SEC. 12.*** Article 6 (commencing with Section 7576) is added to Chapter 11.4 of Division 3 of the Business and Professions Code, to read:

Article 6. Review

7576. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

~~SEC. 14.~~***SEC. 13.*** Section 7583.4 of the Business and Professions Code is amended to read:

7583.4. Any person registered as a security guard or patrolperson, and the employer of the security guard or patrolperson, shall deliver to the director a written report describing fully the circumstances surrounding any incident involving the discharge of any firearm in which he or she was involved while acting within the course and scope of his or her employment, within seven days after the incident. The report shall be made on a form prescribed by the director which shall include, but not be limited to, the following:

(a) The name, address, and date of birth of the guard or patrolperson.

(b) The registration number of the guard or patrolperson.

(c) The firearm permit number and baton permit number of the guard or patrolperson, if applicable.

(d) The name of the employer of the person.

(e) The description of any injuries and damages that occurred.

(f) The identity of all participants in the incident.

(g) Whether a police investigation was conducted relating to the incident.

(h) The date and location of the incident. Any report may be investigated by the director to determine if any disciplinary action is necessary.

A copy of the report delivered to the director pursuant to this section shall also be delivered within seven days of the incident to the local police or sheriff's department which has jurisdiction over the geographic area where the incident occurred.

~~SEC. 15.~~***SEC. 14.*** Section 7583.6 of the Business and Professions Code is amended to read:

7583.6. (a) A person entering the employ of a licensee to perform the functions of a security guard or a security patrolperson shall complete a course in the exercise of the power to arrest prior to being assigned to a duty location.

(b) Except for a registrant who has completed the course of training required by Section 7583.45, a person registered pursuant to this chapter shall complete not less than 32 hours of training in security officer skills within six months from the date the registration card is issued. Sixteen of the 32 hours shall be completed within 30 days from the date the registration card is issued.

(c) A course provider shall issue a certificate to a security guard upon satisfactory completion of a required course, conducted in accordance with the department's requirements. A private patrol operator may provide

training programs and courses in addition to the training required in this section. A registrant who is unable to provide his or her employing licensee the certificate of satisfactory completion required by this subdivision shall complete 16 hours of the training required by subdivision (b) within 30 days of the date of his or her employment and shall complete the 16 remaining hours within six months of his or her employment date.

(d) The department shall develop and approve by regulation a standard course and curriculum for the skills training required by subdivision (b) to promote and protect the safety of persons and the security of property. For this purpose, the department shall consult with consumers, labor organizations representing private security officers, private patrol operators, educators, and subject matter experts.

(e) The course of training required by subdivision (b) may be administered, tested, and certified by any licensee, or by any organization or school approved by the department. The department may approve any person or school to teach the course.

(f) (1) On and after January 1, 2005, a licensee shall annually provide each employee registered pursuant to this chapter with eight hours of specifically dedicated review or practice of security officer skills prescribed in either course required in Section 7583.6 or 7583.7.

(2) A licensee shall maintain at the principal place of business or branch office a record verifying completion of the review or practice training for a period of not less than two years. The records shall be available for inspection by the bureau upon request.

(g) This section does not apply to a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code who has successfully completed a course of study in the exercise of the power to arrest approved by the Commission on Peace Officer Standards and Training. This section does not apply to armored vehicle guards and federal *qualified* law enforcement ~~officers.~~ *officers, as defined in Section 926B of Title 18 of the United States Code, who have successfully completed a course of study in the exercise of the power to arrest.*

~~**SEC. 16.**~~***SEC. 15.*** Section 7583.12 of the Business and Professions Code is amended to read:

7583.12. (a) An employee of a licensee shall not carry or use a firearm unless the employee has in his or her possession both of the following:

(1) A valid guard registration card issued pursuant to this chapter.

(2) A valid firearm qualification card issued pursuant to this chapter.

(b) An employee of a licensee may carry or use a firearm while working as a security guard or security patrolperson pending receipt of a firearm qualification card if he or she has been approved by the bureau and carries on his or her person a hardcopy printout of the bureau's approval from the bureau's Internet Web site and a valid picture identification.

(c) In the event of the loss or destruction of the firearm qualification card, the cardholder may apply to the bureau for a certified replacement of the card, stating the circumstances surrounding the loss, and pay a ten-dollar ($10) certification fee, whereupon the bureau shall issue a certified replacement of the card.

(d) Paragraph (2) of subdivision (a) and subdivision (b) shall not apply to a duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who meets all of the following:

(1) He or she has successfully completed a course of study in the use of firearms.

(2) He or she is authorized to carry a concealed firearm in the course and scope of his or her employment pursuant to Article 2 (commencing with Section 25450) of Chapter 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

(3) He or she has proof that he or she has applied to the bureau for a firearm qualification card.

(e) (1) This section shall not apply to a duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, *or a federal qualified law enforcement officer, as defined in Section 926B of Title 18 of the United States Code,* who has written approval from his or her primary employer, as defined in paragraph (2) of subdivision (i) of Section 7583.9, to carry a firearm while working as a security guard or security officer or to a federal *qualified* law enforcement ~~officer.~~ *officer, as defined in Section 926B of Title 18 of the United States Code.*

(2) A peace officer exempt under this subdivision shall carry on his or her person a letter of approval from his or her primary employer authorizing him or her to carry a firearm while working as a security guard or security officer.

~~SEC. 17.~~ ***SEC. 16.*** Section 7583.22 of the Business and Professions Code is amended to read:

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

(1) Complete a course of training in the carrying and use of firearms.

(2) Receive a firearms qualification card or be otherwise qualified to carry a firearm as provided in Section 7583.12.

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

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

(d) Paragraph (1) of subdivision (a) shall not apply to a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who has successfully completed a course of study in the use of firearms or to a federal *qualified* law enforcement ~~officer.~~ *officer, as defined in Section 926B of Title 18 of the United States Code, who has successfully completed a course of study in the use of firearms.*

~~SEC. 18.~~ ***SEC. 17.*** Section 7583.23 of the Business and Professions Code is amended to read:

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

(a) The applicant is a licensee, a qualified manager of a licensee, or a registered uniformed security guard.

(b) A certified firearms training instructor has certified that the applicant has successfully completed a written examination prepared by the bureau and training course in the carrying and use of firearms approved by the bureau.

(c) The applicant has filed with the bureau a classifiable fingerprint card, a completed application for a firearms permit on a form prescribed by the director, dated and signed by the applicant, certifying under penalty of perjury that the information in the application is true and correct.

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

(e) (1) Beginning July 1, 2017, each applicant for a firearms permit or renewal permit shall undergo a psychological evaluation by a licensed psychologist, or his or her designee, the purpose of which is to assess the applicant's psychological capability to exercise appropriate judgment, restraint, and self-control. The licensed psychologist, or his or her designee, shall employ whatever psychological measuring instruments or techniques deemed necessary to render a professional opinion. If the applicant or renewal applicant does not pass the assessment or falls outside the range of acceptable results set by the provider of the assessment, upon request by the applicant, the certified firearms training facility shall forward the response data to a psychologist licensed by the California Board of Psychology for evaluation.

(2) The applicant may choose the licensed psychologist and bear the costs of the evaluation. If the applicant seeks employment with, or is employed by, a licensee that has an established and approved process for the Minnesota Multiphasic Personality Inventory (MMPI) or other psychological evaluation, the applicant may choose to submit the response data to a licensed psychologist chosen by the licensee. A licensee employing this process may bear the costs of the evaluation.

(3) The psychologist shall forward a written psychological evaluation, on a form prescribed by the bureau, to the bureau within 15 days of the evaluation, even if the applicant is found to be psychologically at risk. The bureau may utilize the results of the psychological evaluation for up to six months from the date of the evaluation after which the applicant shall be reexamined. Included in the written psychological evaluation shall be the assessment measures used and the reason for their inclusion. A person who has been found

psychologically at risk in the exercise of appropriate judgment, restraint, or self-control shall not reapply for a permit until one year from the date of being found psychologically at risk.

(4) The bureau may decide if the applicant shall be administered an additional psychological evaluation instrument after the discharge of a firearm that requires the written report described in Section 7583.4 in order to retain the firearms permit.

(5) This subdivision does not apply to the following:

(A) A peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.

(B) A federal law enforcement officer.

(C) A security guard applying for a renewal firearms permit where his or her employer verifies that the applicant has been employed for at least five years in an armed position in which period the applicant has not had a firearms incident or violent incident, as described in Section 7583.4. The employer shall submit verification of this information on a form prescribed by the bureau.

(6) This subdivision does not prohibit a licensee from imposing additional requirements or taking additional steps to ensure that employees are qualified to work with firearms.

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

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

~~**SEC. 19.**~~***SEC. 18.*** Section 7583.33 of the Business and Professions Code is amended to read:

7583.33. (a) Any licensee, qualified manager, or a registered uniformed security guard who wishes to carry a baton in the performance of his or her duties, shall qualify to carry the weapon pursuant to Article 5 (commencing with Section 7585).

(b) Subdivision (a) does not apply to a peace officer as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code who has successfully completed a course of study in the use of batons or to a federal *qualified* law enforcement ~~officer.~~ *officer, as defined in Section 926B of Title 18 of the United States Code, who has successfully completed a course of study in the use of batons.*

~~**SEC. 20.**~~***SEC. 19.*** Section 7585.4.1 is added to the Business and Professions Code, to read:

7585.4.1. (a) (1) Within ~~90~~ *120* days after issuance of a "Firearms Training Facility Certificate," the bureau ~~or its agents or assistants~~ shall inspect the facility for compliance with the applicable requirements of this article and the applicable rules and regulations of the bureau adopted pursuant to this article.

(2) The bureau may inspect the establishment for which a certificate application has been made prior to the issuance of the certificate.

(b) The bureau shall maintain a program of random and targeted inspections of facilities to ensure compliance with applicable laws relating to the conduct and operation of facilities.

(c) If the bureau determines that any facility is not complying with applicable laws relating to the conducting and operation of facilities, notice thereof shall immediately be given to the facility.

(d) In addition to the notice, the bureau may issue a citation or take other disciplinary action for violations of applicable laws.

~~**SEC. 21.**~~***SEC. 20.*** Section 7587.8 of the Business and Professions Code is amended to read:

7587.8. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (a), (b), and (c) of Section 7583.2; five hundred dollars ($500) per violation.

(b) Violation of subdivisions (h) and (i) of Section 7583.2; two hundred fifty dollars ($250) per violation.

(c) Violation of subdivision (d) of Section 7583.2; five hundred dollars ($500) per violation.

(d) Violation of subdivision (g) of Section 7583.2; one thousand dollars ($1,000) for the first violation and two thousand five hundred dollars ($2,500) per violation for each violation thereafter.

(e) Violation of subdivision (f) of Section 7583.2; two thousand five hundred dollars ($2,500) per violation, notwithstanding any other provision of law.

~~SEC. 22.~~***SEC. 21.*** Section 7587.9 of the Business and Professions Code is amended to read:

7587.9. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (a) and (b) of Section 7583.3; one hundred fifty dollars ($150) per violation.

(b) Violation of subdivision (c) of Section 7583.3; two hundred fifty dollars ($250) for the first violation and five hundred dollars ($500) per violation for each violation thereafter.

(c) Violation of Section 7583.4; five hundred dollars ($500) per violation.

~~SEC. 23.~~***SEC. 22.*** Section 7587.10 of the Business and Professions Code is amended to read:

7587.10. The director may assess fines for the following acts pursuant to Article 4 (commencing with Section 7583) only as follows:

(a) Violation of subdivisions (c) and (d) of Section 7583.37; one hundred dollars ($100) for the first violation and two hundred dollars ($200) for each violation thereafter.

(b) Violation of subdivision (a) of Section 7583.37; one hundred dollars ($100) for the first violation and five hundred dollars ($500) for each violation thereafter.

(c) Violation of subdivision (e) of Section 7583.37; one thousand dollars ($1,000).

(d) Violation of subdivision (b) of Section 7583.37; one thousand dollars ($1,000) and suspension of a firearm qualification card for *six months for* the first violation and*, for a violation thereafter, one thousand dollars ($1,000) and* a suspension of a firearm qualification card ~~thereafter.~~ *for not more than one year.*

~~SEC. 24.~~***SEC. 23.*** Section 7587.12 of the Business and Professions Code is amended to read:

7587.12. The director may assess fines for the following acts only as follows:

(a) Violations of paragraph (1), (2), (11), or (12) of subdivision (a) of Section 7585.19; two hundred fifty dollars ($250) for the first violation and five hundred dollars ($500) for subsequent violations.

(b) Violations of paragraph (3), (7), (8), or (10) of subdivision (a) of Section 7585.19; five hundred dollars ($500) for each violation.

(c) Violations of paragraph (6) of subdivision (a) of Section 7585.19; five hundred dollars ($500) for each hour shortened.

(d) Violations of paragraph (4) of subdivision (a) of Section 7585.19; five hundred dollars ($500) for each violation.

(e) Violations of paragraph (5) of subdivision (a) of Section 7585.19; five hundred dollars ($500) for every hour the course has been shortened.

(f) Violations of paragraph (9) of subdivision (a) of Section 7585.19; one thousand dollars ($1,000) for each violation.

~~SEC. 25.~~***SEC. 24.*** Section 7587.14 of the Business and Professions Code is amended to read:

7587.14. The director may assess administrative fines of fifty dollars ($50) against any licensee, registrant, or firearms qualification cardholder for each violation for failure to notify the bureau within 30 days of any change of residence or business address. The principal place of business may be at a home or at a business address, but it shall be the place at which the licensee maintains a permanent office.

~~SEC. 26.~~ ***SEC. 25.*** Article 9 (commencing with Section 7588.8) is added to Chapter 11.5 of Division 3 of the Business and Professions Code, to read:

Article 9. Review

7588.8. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.

~~SEC. 27.~~ ***SEC. 26.*** Section 7597.1 of the Business and Professions Code is amended to read:

7597.1. (a) A licensee, qualified manager, branch office manager, or alarm agent shall not carry, use, or possess a loaded or unloaded firearm in the course and scope of his or her employment, whether or not it is serviceable or operative, unless he or she has in his or her possession a valid and current firearms qualification card issued to him or her by the bureau. The card shall be shown to any peace officer or bureau representative upon demand.

(b) Subdivision (a) shall not apply to a duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, *or a federal qualified law enforcement officer, as defined Section 926B of Title 18 of the United States Code,* who meets all of the following:

(1) He or she has successfully completed a course of study in the use of firearms.

(2) He or she is authorized to carry a concealed firearm in the course and scope of his or her employment pursuant to Article 2 (commencing with Section 25450) of Chapter 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

(3) He or she has proof that he or she has applied to the bureau for a firearms qualification card.

(c) A fine of two hundred fifty dollars ($250) may be assessed for the first violation of this section and a fine of five hundred dollars ($500) for each subsequent violation.

~~SEC. 28.~~ ***SEC. 27.*** Section 7597.2 of the Business and Professions Code is amended to read:

7597.2. (a) A licensee, qualified manager, branch office manager, or alarm agent shall not carry any inoperable, replica, or other simulated firearm.

(b) A violation of this section shall result in a fine of one hundred dollars ($100) for the first violation and a fine of two hundred fifty dollars ($250) for each subsequent violation.

~~SEC. 29.~~ ***SEC. 28.*** Section 7597.3 of the Business and Professions Code is amended to read:

7597.3. (a) A licensee, qualified manager, branch office manager, or alarm agent shall not use a firearm which is in violation of law, or in knowing violation of the standards for carrying and usage of firearms, as taught in the course of training in the carrying and use of firearms, including, but not limited to:

(1) Illegally using, carrying, or possessing a dangerous weapon.

(2) Brandishing a weapon.

(3) Drawing a weapon without proper cause.

(4) Provoking a shooting incident without cause.

(5) Carrying or using a firearm while on duty under the influence of alcohol or dangerous drugs.

(6) Carrying or using a firearm of a caliber for which a bureau firearms permit has not been issued.

(b) A fine of one thousand dollars ($1,000) and a suspension of the firearms permit *for six months* may be assessed for the first violation of this section and a *fine of one thousand dollars ($1,000) and a* suspension of the firearms permit for *not more than one year for* a subsequent violation.

~~SEC. 30.~~***SEC. 29.*** Section 7597.5 of the Business and Professions Code is amended to read:

7597.5. (a) A licensee, qualified manager, branch office manager, or alarm agent shall not carry or use tear gas or any other nonlethal chemical agent in the performance of his or her duties, unless he or she has in his or her possession proof of completion of a course in the carrying and use of tear gas or other nonlethal chemical agent.

(b) A fine of one hundred dollars ($100) may be assessed for the first violation of this section and a fine of two hundred fifty dollars ($250) for each subsequent violation.

~~SEC. 31.~~***SEC. 30.*** Section 7597.6 of the Business and Professions Code is amended to read:

7597.6. (a) A licensee, qualified manager, branch office manager, or alarm agent shall not carry a pistol, revolver, or other firearm capable of being concealed upon the person in a concealed manner unless one of the following circumstances apply:

(1) The person has been issued a permit to carry that firearm in a concealed manner by a local law enforcement agency pursuant to Section 26150, 26155, 26170, or 26215 of the Penal Code.

(2) The person is an honorably retired peace officer authorized to carry a concealed firearm pursuant to Section 25650 of the Penal Code or Article 2 (commencing with Section 25450) of Chapter 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

(3) The person is a duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, who is authorized to carry a concealed firearm in the course and scope of his or her employment pursuant to Article 2 (commencing with Section 25450) of Chapter 2 of Division 5 of Title 4 of Part 6 of the Penal Code.

(b) A fine of one thousand dollars ($1,000) may be assessed for each violation of subdivision (a).

~~SEC. 32.~~***SEC. 31.*** Section 7598.51 of the Business and Professions Code is amended to read:

7598.51. (a) An alarm agent shall carry on his or her person, while on duty, either a valid and current registration card or a temporary application for registration.

(b) A fine of one hundred *fifty* dollars ~~($100)~~ *($150)* may be assessed for each violation of subdivision (a).

~~SEC. 33.~~***SEC. 32.*** Section 7598.53 of the Business and Professions Code is amended to read:

7598.53. An alarm agent who responds to an alarm system shall wear a prominently displayed patch or other designation which clearly identifies the name of the licensee. An alarm agent who carries a deadly weapon while responding to an alarm system shall wear a recognizable uniform with a prominently displayed patch or other designation which clearly identifies the name of the licensee. The uniform must be distinguishable from the uniforms worn by local regular law enforcement officers. A violation of this section may result in a fine of two hundred fifty dollars ($250) for each violation.

~~SEC. 34.~~***SEC. 33.*** Section 7599.32 of the Business and Professions Code, as added by Section 21 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.32. (a) A licensee shall notify the bureau within 30 days of any change of its officers required to be named pursuant to Section 7593.4 and of any addition of a new partner.

(b) Applications, on forms prescribed by the director, shall be submitted by all new officers and partners. The director may suspend or revoke a license issued under this chapter if the director determines that the new officer or partner has committed any act which constitutes grounds for the denial of a license pursuant to Section 7591.10.

(c) A notice of warning may be issued for the first violation of this section and a fine of five hundred dollars ($500) for each subsequent violation.

~~SEC. 35.~~***SEC. 34.*** Section 7599.33 of the Business and Professions Code is amended to read:

7599.33. A licensee shall not conduct business, as defined in Section 7599.20, from any location other than that location for which a license or branch office registration was issued. A violation of this section may result in a fine of five hundred dollars ($500) for the first violation of this section and a fine of one thousand dollars ($1,000) for each subsequent violation.

~~SEC. 36.~~***SEC. 35.*** Section 7599.34 of the Business and Professions Code, as added by Section 23 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.34. A licensee shall not conduct a business as an individual, partnership, or corporation unless the licensee holds a valid license issued to that exact same individual, partnership, or corporation. A violation of this section may result in a fine of five hundred dollars ($500) for each violation.

~~SEC. 37.~~***SEC. 36.*** Section 7599.36 of the Business and Professions Code is amended to read:

7599.36. (a) Each licensee shall maintain a file or record containing the name, address, commencing date of employment, and position of each employee, and the date of termination. Those files and records shall be retained during the time of employment and for a period of not less than two years thereafter, and, together with usual payroll records, shall be available for inspection by the bureau, and copies thereof and information pertaining thereto or contained therein shall be submitted to the bureau upon written request. A violation concerning the maintenance of the files or records may result in a fine of two hundred fifty dollars ($250) for each violation.

(b) A failure of a licensee to respond to the bureau's request to forward copies of the files or records and information pertaining thereto or contained therein within 30 days of the bureau's request may result in a fine of two hundred fifty dollars ($250) for each violation.

~~SEC. 38.~~***SEC. 37.*** Section 7599.37 of the Business and Professions Code is amended to read:

7599.37. Each licensee shall maintain an accurate and current record of proof of completion of the course of training in the exercise of the power to arrest as required by Section 7598.1, by each of his or her employees. A violation of this section may result in a fine of five hundred dollars ($500) for each violation.

~~SEC. 39.~~***SEC. 38.*** Section 7599.38 of the Business and Professions Code is amended to read:

7599.38. Each licensee shall certify an employee's completion of the course of training in the exercise of power to arrest, or obtain proof that the training has been administered by a bureau-approved training facility, prior to allowing the employee to respond to an alarm system as required by Section 7598.1. A violation of this section may result in a fine of five hundred dollars ($500) for each violation.

~~SEC. 40.Section 7599.39 of the Business and Professions Code, as added by Section 12 of Chapter 1210 of the Statutes of 1982, is amended to read:~~

~~7599.39.Within three working days, each licensee shall verify proof of current and valid registration issued by the bureau for each employee who is subject to registration, or shall require an employee to complete and submit an application for registration after employing an individual who does not possess a current and valid registration from the bureau. "Within three working days" means 72 hours from the time an employee is first compensated for alarm agent services for a licensee. A violation of this section may result in a fine of two hundred fifty dollars ($250) for each violation.~~

~~SEC. 41.~~***SEC. 39.*** Section 7599.40 of the Business and Professions Code is amended to read:

7599.40. A licensee shall not allow any employee to carry a firearm or other deadly weapon without first ascertaining that the employee is proficient in the use of each weapon to be carried. A current and valid firearm qualification card which indicates the specific caliber of the firearm which may be carried shall be deemed evidence of proficiency. A firearm qualification permit is not valid unless the employee holds a valid, current registration card. With respect to other deadly weapons, evidence of proficiency shall include a certificate from a training facility, certifying that the employee is proficient in the use of that particular deadly weapon. A violation of this section may result in a fine of two thousand five hundred dollars ($2,500) for each violation.

~~SEC. 42.~~***SEC. 40.*** Section 7599.41 of the Business and Professions Code is amended to read:

7599.41. A licensee shall maintain an accurate and current record of all firearms or other deadly weapons that are in the possession of the licensee, or of any employee of the licensee, while on duty. The record shall contain the make, model, and serial number, or a description of any other deadly weapon, and the name of the person who has title of ownership. A violation of this section may result in a fine of five hundred dollars ($500) for each violation.

~~SEC. 43.~~***SEC. 41.*** Section 7599.42 of the Business and Professions Code, as added by Section 25 of Chapter 291 of the Statutes of 2012, is amended to read:

7599.42. Within seven days after any violent incident involving a dangerous weapon, that has been caused by or occurred upon a licensee or any officer, partner, qualified manager, or employee of a licensee, while acting within the course and scope of his or her employment, and that results in bodily injury to any person or death of any person involved in that incident or of any discharge of a weapon, excluding any discharge which occurs on the range, the licensee or his or her manager shall mail or deliver to the chief a detailed report of the incident. The report shall describe fully the circumstances surrounding the incident, any injuries or damages incurred, the identity of all participants, and whether a police investigation was conducted. A violation of this section by a licensee or any officer, partner, managing member, or qualified manager may result in a fine of one thousand dollars ($1,000) for the first violation and two thousand five hundred dollars ($2,500) for each subsequent violation. A violation of this section by an employee of a licensee may result in a fine of five hundred dollars ($500) for each violation.

~~SEC. 44.~~***SEC. 42.*** Section 7599.44 of the Business and Professions Code is amended to read:

7599.44. Every advertisement by a licensee soliciting or advertising business shall contain his or her name and license number as they appear in the records of the bureau. A violation of this section may result in a fine of five hundred dollars ($500) for the first violation and one thousand dollars ($1,000) for each subsequent violation.

~~SEC. 45.~~***SEC. 43.*** Section 7599.45 of the Business and Professions Code is amended to read:

7599.45. A licensee or employee of a licensee shall not enter any private building or portion thereof, excepting premises open to the public, without the consent of the owner or the person in legal possession thereof. A violation of this section may result in a fine of one hundred dollars ($100) for each violation.

~~SEC. 46.~~***SEC. 44.*** Section 7599.54 of the Business and Professions Code is amended to read:

7599.54. Every agreement, including, but not limited to, lease agreements, monitoring agreements, and service agreements, including all labor, services, and materials to be provided for the installation of an alarm system, shall be in writing. All amendments subject to the provisions of this section to an initial agreement shall be in writing. Each initial agreement shall contain, but not be limited to, the following:

(a) The name, business address, business telephone number, and license number of the licensed alarm company operator and the registration number of any alarm agent who solicited or negotiated the agreement.

(b) The approximate dates when the work will begin and be substantially completed.

(c) A description of the work to be done, a description of the materials to be used, and the agreed consideration for the work.

(d) A disclosure that alarm company operators are licensed and regulated by the Bureau of Security and Investigative Services, Department of Consumer Affairs, Sacramento, CA, 95814.

(e) A description of the alarm system including the major components thereof and services to be provided to the purchaser once the alarm is installed, including response or monitoring services, if any.

(f) Other matters agreed to by the parties of the contract. The agreement shall be legible and shall be in a form as to clearly describe any other document which is to be incorporated into the contract, and, before any work is done, the client shall be furnished with a copy of the written agreement signed by the licensee.

(g) A statement setting forth that upon completion of the installation of the alarm system, the alarm company shall thoroughly instruct the purchaser in the proper use of the alarm system.

(h) In the event a mechanic's lien is to be utilized, a notice-to-owner statement which shall describe, in nontechnical language and in a clear and coherent manner using words with common and everyday meaning, the pertinent provisions of this state's mechanics' lien laws and the rights and responsibilities of an owner of property and a contractor thereunder, including the provisions relating to the filing of a contract concerning a work of improvement with the county recorder and the recording in the office of a contractor's payment bond for private work.

(i) For agreements *or renewals* entered into on or after January 1, 2016, if the agreement contains an automatic renewal provision, the agreement *or renewal* shall include a separate and clear ~~disclosure~~ *disclosure, prior to any other terms and conditions of the agreement,* advising the consumer that the agreement he or she is entering into contains an automatic renewal provision. The disclosure shall specify that if the consumer fails to provide notification of nonrenewal, as required in the agreement, it will result in the automatic renewal of the agreement and shall include the period of time of the renewal term. *The disclosure shall include an acknowledgement of the notification to be signed and dated by the consumer. An automatic renewal provision shall be void and invalid unless the acknowledgment includes an original signature of the consumer.*

(j) In addition to the above, every initial residential sales and lease agreement, the total cost which over the time period fixed by the agreement exceeds two hundred fifty dollars ($250), including the cost of all labor, service, or material to be provided by the licensee for the installation, shall include, but not be limited to, the following:

(1) A schedule of payments showing the amount of each payment as a sum in dollars and cents. This schedule of payments shall be referenced to the amount of work for services to be performed or to any materials or equipment to be supplied.

(2) If the payment schedule contained in the agreement provides for a downpayment to be paid to the licensee by the owner or the tenant before commencement of the work, that downpayment shall not exceed one thousand dollars ($1,000) or 10 percent of the contract price, excluding finance charges, whichever is the lesser.

(3) In no event shall the payment schedule provide that the licensee receive, nor shall the licensee actually receive, payment in excess of 100 percent of the value of the work performed on the project at any time, excluding finance charges, except that the licensee may receive an initial downpayment authorized by paragraph (2). A failure by the licensee, without legal excuse, to substantially commence work within 20 days of the approximate date specified in the contract when work is to commence, shall postpone the next succeeding payment to the licensee for that period of time equivalent to the time between when substantial commencement was to have occurred and when it did occur.

(4) A notice-to-owner statement which shall describe, in nontechnical language and in a clear and coherent manner using words with common and everyday meaning, the pertinent provisions of this state's mechanics' lien laws and the rights and responsibilities of an owner of property and a contractor thereunder, including the provisions relating to the filing of a contract concerning a work of improvement with the county recorder and the recording in the office of a contractor's payment bond for private work.

(5) A description of what constitutes substantial commencement of work pursuant to the contract.

(6) A disclosure that failure by the licensee, without legal excuse, to substantially commence work within 20 days from the approximate date specified in the agreement when the work will begin is a violation of the Alarm Company Act.

(7) A disclosure informing the buyer of any potential permit fees which may be required by local jurisdictions concerning the monitoring of an existing alarm system.

(8) This section shall not be construed to prohibit the parties to a residential alarm system sale contract from agreeing to a contract or account subject to Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

(k) A violation of this section or failure to commence work pursuant to paragraph (6) of subdivision (j) may result in a fine of one hundred dollars ($100) for the first violation and a fine of five hundred dollars ($500) for each subsequent violation.

~~SEC. 47.~~ ***SEC. 45.*** Section 7599.59 of the Business and Professions Code is amended to read:

7599.59. The director may assess administrative fines of fifty dollars ($50) against any licensee, qualified certificate holder, firearms qualification card holder, or registrant for each violation for failure to notify the bureau within 30 days of any change of residence or business address.

~~**SEC. 48.**~~***SEC. 46.*** Article 15 (commencing with Section 7599.80) is added to Chapter 11.6 of Division 3 of the Business and Professions Code, to read:

Article 15. Review

7599.80. Notwithstanding any other law, the powers and duties of the bureau, as set forth in this chapter, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this chapter were scheduled to be repealed as of January 1, 2020.