

# **Regulation 1506**

## **Section 100**

Complete Rule Making File

*OAL Approval with Approved Text Regulation 1506*

*Index*

1. *Form 400 and Proposed Regulation 1506*
2. *Statement of Explanation*
3. *AB 1535*

Other Documents Relied upon

- A. *Chief Counsel Memo Dated 03/10/16*
- B. *Minutes, 03/30/16*
- C. *Reporters Transcript, 03/30/16*

**State of California  
Office of Administrative Law**

**In re:**  
**Board of Equalization**

**Regulatory Action:**

**Title 18, California Code of Regulations**

**Adopt sections:**

**Amend sections: 1506**

**Repeal sections:**

**NOTICE OF APPROVAL OF CHANGES  
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,  
Section 100**

**OAL Matter Number: 2016-0615-02**

**OAL Matter Type: Nonsubstantive (N)**

---

This action by the Board of Equalization makes changes without regulatory effect to section 1506, subdivision (g), in title 18 of the California Code of regulations by replacing the reference to the "Hearing Aid Dispensers Examining Committee" with "Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board" consistent with Statutes 2009, chapter 309 (AB 1535).

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

**Date:** July 27, 2016



---

Kevin D. Hull  
Senior Attorney

**For:** Debra M. Cornez  
Director

**Original:** David J. Gau  
**Copy:** Richard Bennion

RECEIVED

JUL 29 2016

Board Proceedings

**OFFICE OF ADMINISTRATIVE LAW**

300 Capitol Mall, Suite 1250  
Sacramento, CA 95814  
(916) 323-6225 FAX (916) 323-6826



**DEBRA M. CORNEZ**  
Director

**MEMORANDUM**

TO: Richard Bennion  
FROM: OAL Front Desk *Jo*  
DATE: July 29, 2016  
RE: Return of Rulemaking Materials  
OAL Matter Number 2016-0615-02  
OAL Matter Type Nonsubstantive (N)

OAL hereby returns the rulemaking record your agency submitted for review regarding "Miscellaneous Service Enterprises."

If this is an approved matter, it contains a copy of the regulation(s) stamped "ENDORSED APPROVED" by the Office of Administrative Law and "ENDORSED FILED" by the Secretary of State. The effective date of an approved regulation is specified on the Form 400 (see item B.5). **Beginning January 1, 2013**, unless an exemption applies, Government Code section 11343.4 states the effective date of an approved regulation is determined by the date the regulation is filed with the Secretary of State (see the date the Form 400 was stamped "ENDORSED FILED" by the Secretary of State) as follows:

- (1) **January 1** if the regulation or order of repeal is filed on September 1 to November 30, inclusive.
- (2) **April 1** if the regulation or order of repeal is filed on December 1 to February 29, inclusive.
- (3) **July 1** if the regulation or order of repeal is filed on March 1 to May 31, inclusive.
- (4) **October 1** if the regulation or order of repeal is filed on June 1 to August 31, inclusive.

If an exemption concerning the effective date of the regulation approved in this matter applies, then it will be specified on the Form 400. The Notice of Approval that OAL sends to the agency will include the effective date of the regulation. The history note that will appear at the end of the regulation section in the California Code of Regulations will also include the regulation's effective date. Additionally, the effective date of the regulation will be noted on OAL's web site after OAL posts the Internet Web site link to the full text of the regulation that is received from the agency. (Gov. Code, secs. 11343 and 11344.)

**Please note this new requirement:** Unless an exemption applies, Government Code section 11343 now requires:

1. Section 11343(c)(1): Within 15 days of OAL filing a state agency's regulation with the Secretary of State, the state agency is required to post the regulation on its Internet Web site in an easily marked and identifiable location. The state agency shall keep the regulation posted on its Internet Web site for at least six months from the date the regulation is filed with the Secretary of State.
2. Section 11343(c)(2): Within five (5) days of posting its regulation on its Internet Web site, the state agency shall send to OAL the Internet Web site link of each regulation that the agency posts on its Internet Web site pursuant to section 11343(c)(1).

OAL has established an email address for state agencies to send the Internet Web site link to for each regulation the agency posts. Please send the Internet Web site link for each regulation posted to OAL at [postedregslink@oal.ca.gov](mailto:postedregslink@oal.ca.gov).

**NOTE ABOUT EXEMPTIONS.** Posting and linking requirements do not apply to emergency regulations; regulations adopted by FPPC or Conflict of Interest regulations approved by FPPC; or regulations not subject to OAL/APA review. However, an exempt agency may choose to comply with these requirements, and OAL will post the information accordingly.

**DO NOT DISCARD OR DESTROY THIS FILE**

Due to its legal significance, you are required by law to preserve this rulemaking record. Government Code section 11347.3(d) requires that this record be available to the public and to the courts for possible later review. Government Code section 11347.3(e) further provides that "...no item contained in the file shall be removed, altered, or destroyed or otherwise disposed of." See also the State Records Management Act (Government Code section 14740 et seq.) and the State Administrative Manual (SAM) section 1600 et seq. regarding retention of your records.

If you decide not to keep the rulemaking records at your agency/office or at the State Records Center, you may transmit it to the State Archives with instructions that the Secretary of State shall not remove, alter, or destroy or otherwise dispose of any item contained in the file. See Government Code section 11347.3(f).

Enclosures

## NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2016-0615-02N</b>	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY State Board of Equalization			AGENCY FILE NUMBER (if any)

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

JUL 27 2016

1:46PM

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b> <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) Miscellaneous Service Enterprises	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
<b>SECTION(S) AFFECTED</b> (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 1506
TITLE(S) 18	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> File & Print	
<input type="checkbox"/> Print Only	
<input type="checkbox"/> Other (Specify) _____	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State
<input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission
<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> State Fire Marshal
7. CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER (916) 445-2130
FAX NUMBER (Optional) (916) 324-3984	E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Joann Richmond</i>	DATE June 15, 2016
TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JUL 27 2016

Office of Administrative Law

**Text of Proposed Changes to**

**Title 18. Public Revenue**

**Regulation 1506. Miscellaneous Service Enterprises.**

(a) Licensed Architects.

(1) In General. . . . (unchanged).

(2) Licensed Architect. . . . (unchanged).

(3) Architectural Perspectivists and Modelers. . . . (unchanged).

(4) . . . (unchanged).

(b) Barbers, Beauty Shop Operators, and Shoe Polishers. . . . (unchanged).

(c) Clothes Cleaners and Dyers

(1) Clothes Cleaning - In General. . . . (unchanged).

(2) Rentals. . . . (unchanged).

(3) Clothes Dyeing - In General. . . . (unchanged).

(4) Alteration of Garments - In General. . . . (unchanged).

(A) Alteration of Garments by Clothes Cleaning or Dyeing Establishments. . . .  
(unchanged):

1. . . . (unchanged), and

2. . . . (unchanged).

(B) Alteration of Garments by a Third Party. . . . (unchanged).

(5) Miscellaneous Sale of Items. . . . (unchanged).

(d) Circulating Libraries. . . . (unchanged).

(e) Dentists and Dental Laboratories. . . . (unchanged).

(f) Gun Clubs. . . . (unchanged).

(g) Licensed Hearing Aid Dispensers. Persons licensed as hearing aid dispensers by the Department of Consumer Affairs, Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board~~Hearing Aid Dispensers Examining Committee~~, are consumers of hearing aids

furnished or sold by them. The term "hearing aid" includes any necessary accessory or component part of the hearing aid which is fully worn on the body of the user such as cords, connector tubing, ear molds, or batteries, whether the part is sold or furnished separately or in conjunction with the hearing aid. The term also includes replacement and repair parts. Tax applies with respect to the sale of such products to licensed hearing aid dispensers. Tax applies to the retail sale of such products by persons who are not licensed hearing aid dispensers.

(h) Organized Camps.

(1) Camps in General. . . . (unchanged).

(2) Camps Qualifying as Schools or Educational Institutions. . . . (unchanged):

(A) . . . (unchanged),

(B) . . . (unchanged),

(C) . . . (unchanged), and

(D) . . . (unchanged).

(i) Taxidermists. . . . (unchanged).

(j) Licensed Veterinarians.

(1) Definitions. As used herein:

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(2) Application of Tax.

(A) . . . (unchanged):

1. . . . (unchanged), or

2. . . . (unchanged).

(B) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6006, 6007, 6015, 6018.1, 6018.7, 6358, 6358.4 and 6363, Revenue and Taxation Code.

Any changes made to the regulation text to address the clarity issues discussed above must be made available for at least 15 days for public comment pursuant to Government Code section 11346.8 and section 44 of title 1 of the CCR prior to adoption by the Board. The Board must document in the rulemaking file its approval of the final text after consideration of all public comments and relevant information, as well as resolve all other issues raised in this Decision of Disapproval, before resubmitting to OAL.

If you have any questions, please contact me at (916) 322-3761.

Date: July 25, 2016

Eric Partington  
Attorney

For: Debra M. Cornez  
Director

Original: Virginia Herold  
Copy: Debbie Damoth

<p><b>SUMMARY OF REGULATORY ACTIONS</b></p>
---

**REGULATIONS FILED WITH  
SECRETARY OF STATE**

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2016-0610-01  
AIR RESOURCES BOARD  
On-Board Diagnostic System Requirements (OBDII)

The Air Resources Board (Board) amended sections 1900, 1956.8, 1968.2, 1968.5, 1971.5, and 2485 of title 13 of the California Code of Regulations, amended sections 95302 and 95662 of title 17 of the California Code of Regulations, and updated 24 incorporated by reference documents. This action updates and clarifies on-board diagnostic (OBD II) systems requirements and related enforcement provisions for passenger cars, light-duty trucks, and medium-duty vehicles and engines to account for Low Emission Vehicle III applications. This action also streamlines procedures for certification of these vehicles and engines for sale and distri-

bution in California, provides greater compliance flexibility for manufacturers, and establishes ongoing tracking procedures for the Board to monitor OBD II systems to assure they detect emission control malfunctions in real-world conditions.

Title 13, 17  
AMEND: 1900, 1956.8, 1968.2, 1968.5, 1971.1, 1971.5, 2485, 95302, 95662  
Filed 07/25/2016  
Effective 07/25/2016  
Agency Contact:  
Trini Balcazar (916) 445-9564

File# 2016-0614-01  
BOARD OF EQUALIZATION  
Wholesale Cost of Tobacco Products

This rulemaking by the State Board of Equalization adopts section 4076 in Title 18 of the California Code of Regulations to further define the wholesale cost of "Other Than Tobacco Products" (OTP) and clarify how the wholesale cost of OTP should be calculated.

Title 18  
ADOPT: 4076  
Filed 07/27/2016  
Effective 10/01/2016  
Agency Contact: Richard Bennion (916) 445-2130

File# 2016-0615-02  
BOARD OF EQUALIZATION  
Miscellaneous Service Enterprises

This action by the Board of Equalization makes changes without regulatory effect to section 1506, subdivision (g), in title 18 of the California Code of Regulations by replacing the reference to the "Hearing Aid Dispensers Examining Committee" with "Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board" consistent with Statutes 2009, chapter 309 (AB 1535).

Title 18  
AMEND: 1506  
Filed 07/27/2016  
Agency Contact: Richard Bennion (916) 445-2130

File# 2016-0613-03  
CALIFORNIA COASTAL COMMISSION  
Permit Application Fee, Annual Increase

The California Coastal Commission submitted this action amending section 13055 of Title 14, to adjust the fees for permit applications and other filings as prescribed in section 13055(c). The Consumer Price Index for Urban Consumers base year for calculations is 2008. For the 2016 increase, the change is 13.3%.

# **Regulation 1506**

## **Section 100**

### *Index*

1. *Form 400 and Proposed Regulation 1506*
2. *Statement of Explanation*
3. *AB 1535*

## NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2016-0615-02N</b>	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY State Board of Equalization			AGENCY FILE NUMBER (if any)

2016 JUN 15 A 9:59  
OFFICE OF  
ADMINISTRATIVE LAW

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b> <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) Miscellaneous Service Enterprises	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
<b>SECTION(S) AFFECTED</b> (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 1506
TITLE(S) 18	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
	<input type="checkbox"/> File & Print
	<input type="checkbox"/> Other (Specify) _____
	<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
	<input type="checkbox"/> Print Only
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State
	<input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect
	<input type="checkbox"/> Effective other (Specify)
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission
<input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> State Fire Marshal
7. CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER (916) 445-2130
	FAX NUMBER (Optional) (916) 324-3984
	E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Joann Richmond</i>	DATE June 15, 2016
TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division	

For use by Office of Administrative Law (OAL) only

**Text of Proposed Changes to**

**Title 18. Public Revenue**

**Regulation 1506. Miscellaneous Service Enterprises.**

(a) Licensed Architects.

(1) In General. . . . (unchanged).

(2) Licensed Architect. . . . (unchanged).

(3) Architectural Perspectivists and Modelers. . . . (unchanged).

(4) . . . (unchanged).

(b) Barbers, Beauty Shop Operators, and Shoe Polishers. . . . (unchanged).

(c) Clothes Cleaners and Dyers

(1) Clothes Cleaning - In General. . . . (unchanged).

(2) Rentals. . . . (unchanged).

(3) Clothes Dyeing - In General. . . . (unchanged).

(4) Alteration of Garments - In General. . . . (unchanged).

(A) Alteration of Garments by Clothes Cleaning or Dyeing Establishments. . . .  
(unchanged):

1. . . . (unchanged), and

2. . . . (unchanged).

(B) Alteration of Garments by a Third Party. . . . (unchanged).

(5) Miscellaneous Sale of Items. . . . (unchanged).

(d) Circulating Libraries. . . . (unchanged).

(e) Dentists and Dental Laboratories. . . . (unchanged).

(f) Gun Clubs. . . . (unchanged).

(g) Licensed Hearing Aid Dispensers. Persons licensed as hearing aid dispensers by the Department of Consumer Affairs, Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board~~Hearing Aid Dispensers Examining Committee~~, are consumers of hearing aids

furnished or sold by them. The term “hearing aid” includes any necessary accessory or component part of the hearing aid which is fully worn on the body of the user such as cords, connector tubing, ear molds, or batteries, whether the part is sold or furnished separately or in conjunction with the hearing aid. The term also includes replacement and repair parts. Tax applies with respect to the sale of such products to licensed hearing aid dispensers. Tax applies to the retail sale of such products by persons who are not licensed hearing aid dispensers.

(h) Organized Camps.

(1) Camps in General. . . . (unchanged).

(2) Camps Qualifying as Schools or Educational Institutions. . . . (unchanged):

(A) . . . (unchanged),

(B) . . . (unchanged),

(C) . . . (unchanged), and

(D) . . . (unchanged).

(i) Taxidermists. . . . (unchanged).

(j) Licensed Veterinarians.

(1) Definitions. As used herein:

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(2) Application of Tax.

(A) . . . (unchanged):

1. . . . (unchanged), or

2. . . . (unchanged).

(B) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6006, 6007, 6015, 6018.1, 6018.7, 6358, 6358.4 and 6363, Revenue and Taxation Code.

CHANGES WITHOUT REGULATORY EFFECT UNDER  
CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

Statement of Explanation

Changes to Title 18. Public Revenue

Section 1506. *Miscellaneous Service Enterprises.*

**A. Factual Basis**

Subdivision (g) of California Code of Regulations, title 18, section (Regulation) 1506, *Miscellaneous Service Enterprises*, currently refers to the “Hearing Aid Dispensers Examining Committee” as the entity in the Department of Consumer Affairs (DCA) responsible for licensing persons as hearing aid dispensers. However, the Hearing Aid Dispensers Examining Committee referred to in subdivision (g) has not been the actual licensing authority for hearing aid dispensers since 2000 and is now no longer in existence. Also, since the enactment of Assembly Bill No. 1535 (Stats. 2009, ch. 309), the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board in the DCA has been responsible for licensing persons as hearing aid dispensers and a new statutorily created Hearing Aid Dispensers Committee only has an advisory role. (See ch. 5.3 of div. 2 (commencing with § 2530) of the Business & Professions Code.)<sup>1</sup> Therefore, the State Board of Equalization (Board) proposes to change subdivision (g) of the regulation to refer to the name of the entity in the DCA currently responsible for licensing persons as hearing aid dispensers by replacing the reference to the “Hearing Aid Dispensers Examining Committee” with a reference to the “Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.”

In addition, subdivision (g) of the regulation is currently formatted as two paragraphs. However, the second paragraph only has one sentence and that sentence relates to the information in the first paragraph. Therefore, the Board also proposes to change subdivision (g) to reformat the second paragraph as the last sentence in the first paragraph.

The Board has determined that these changes are appropriate for processing under Rule 100 because the changes make the regulation consistent with the change in the entity in the DCA responsible for licensing persons as hearing aid dispensers and make a minor non-substantive formatting change, and the changes do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

---

<sup>1</sup> See also the Background Information and Overview of the Current Regulatory Program on the website of the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board available at [http://www.speechandhearing.ca.gov/forms\\_pubs/sunset\\_2012.pdf](http://www.speechandhearing.ca.gov/forms_pubs/sunset_2012.pdf).

**B. Proposed Changes to Regulation 1506**

Proposed changes to Regulation 1506:

**Regulation 1506. Miscellaneous Service Enterprises.**

(a) Licensed Architects.

- (1) In General. . . . (unchanged).
- (2) Licensed Architect. . . . (unchanged).
- (3) Architectural Perspectivists and Modelers. . . . (unchanged).
- (4) . . . (unchanged).

(b) Barbers, Beauty Shop Operators, and Shoe Polishers. . . . (unchanged).

(c) Clothes Cleaners and Dyers

- (1) Clothes Cleaning - In General. . . . (unchanged).
- (2) Rentals. . . . (unchanged).
- (3) Clothes Dyeing - In General. . . . (unchanged).
- (4) Alteration of Garments - In General. . . . (unchanged).
  - (A) Alteration of Garments by Clothes Cleaning or Dyeing Establishments. . . . (unchanged):
    - 1. . . . (unchanged), and
    - 2. . . . (unchanged).
  - (B) Alteration of Garments by a Third Party. . . . (unchanged).

(5) Miscellaneous Sale of Items. . . . (unchanged).

(d) Circulating Libraries. . . . (unchanged).

(e) Dentists and Dental Laboratories. . . . (unchanged).

(f) Gun Clubs. . . . (unchanged).

(g) Licensed Hearing Aid Dispensers. Persons licensed as hearing aid dispensers by the Department of Consumer Affairs, Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board~~Hearing Aid Dispensers Examining Committee~~, are consumers of hearing aids

furnished or sold by them. The term "hearing aid" includes any necessary accessory or component part of the hearing aid which is fully worn on the body of the user such as cords, connector tubing, ear molds, or batteries, whether the part is sold or furnished separately or in conjunction with the hearing aid. The term also includes replacement and repair parts. Tax applies with respect to the sale of such products to licensed hearing aid dispensers. Tax applies to the retail sale of such products by persons who are not licensed hearing aid dispensers.

(h) Organized Camps.

(1) Camps in General. . . . (unchanged).

(2) Camps Qualifying as Schools or Educational Institutions. . . . (unchanged):

(A) . . . (unchanged),

(B) . . . (unchanged),

(C) . . . (unchanged), and

(D) . . . (unchanged).

(i) Taxidermists. . . . (unchanged).

(j) Licensed Veterinarians.

(1) Definitions. As used herein:

(A) . . . (unchanged).

(B) . . . (unchanged).

(C) . . . (unchanged).

(2) Application of Tax.

(A) . . . (unchanged):

1. . . . (unchanged), or

2. . . . (unchanged).

(B) . . . (unchanged).

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6006, 6007, 6015, 6018.1, 6018.7, 6358, 6358.4 and 6363, Revenue and Taxation Code.

## Assembly Bill No. 1535

### CHAPTER 309

An act to amend Sections 101, 149, 205, 2220.5, 2530.2, 2531, 2531.2, 2534, 2534.2, 3300, 3306, 3307, 3320.1, 3326, 3327, 3327.5, 3328, 3329, 3350, 3352, 3353, 3354, 3356, 3357, 3358, 3360, 3362, 3364, 3400, 3401, 3402, 3403, 3404, 3421, 3422, 3423, 3424, 3426, 3430, 3451, 3452, 3454, 3455, and 3456 of, to add Sections 2531.06 and 3322 to, to add Article 9 (commencing with Section 2539.1) to Chapter 5.3 of Division 2 of, to repeal Sections 3321, 3325, and 3330 of, and to repeal and add Sections 2531.05 and 3320 of, the Business and Professions Code, relating to hearing aids.

[Approved by Governor October 11, 2009. Filed with  
Secretary of State October 11, 2009.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1535, Jones. Audiologists: hearing aids.

Existing law, the Speech-Language Pathologists and Audiologists Licensure Act, provides for the licensure and regulation of audiologists by the Speech-Language Pathology and Audiology Board, defines the practice of audiology, and makes a violation of that act a crime. Under existing law, the board is comprised of 3 licensed speech-language pathologists, 3 licensed audiologists, and 3 public members.

Existing law, the Hearing Aid Dispensers Licensing Law, provides for the licensure and regulation of hearing aid dispensers, who fit or sell hearing aids, by the Hearing Aid Dispensers Bureau. Existing law exempts audiologists and individuals supervised by audiologists from the hearing aid dispenser licensure requirement if those persons do not directly or indirectly engage in the sale or offering for sale of hearing aids.

This bill would define the practice of audiology to include the selling of hearing aids and would also exempt audiologists from the hearing aid dispenser licensure requirements. However, the bill would prohibit a licensed audiologist from selling hearing aids unless he or she has completed an application for a dispensing audiologist certificate, paid all applicable fees, and passed a specified examination approved by the board. The bill would also make various provisions relating to the sale of hearing aids applicable to audiologists, such as, but not limited to, requiring hearing aids sold by catalog or direct mail to meet certain requirements, requiring a specified written receipt to be provided to a purchaser upon the sale of a hearing aid, and requiring specified records pertaining to the sale of a hearing aid to be maintained for 7 years.

By making licensed audiologists subject to specified requirements relating to the sale of hearing aids, the violation of which would be a crime, the bill would impose a state-mandated local program.

The bill would also abolish the Hearing Aid Dispensers Bureau and would transfer the bureau's duties, powers, purposes, responsibilities, and jurisdiction over the licensing and regulation of hearing aid dispensers to the Speech-Language Pathology and Audiology Board, which would be renamed the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board. The bill would also provide for the transfer of funds from the Hearing Aid Dispensers Fund to the Hearing Aid Dispensers Account in the Speech-Language Pathology and Audiology Fund. Under the bill, the board would be comprised of 2 licensed speech-language pathologists, 2 licensed audiologists, one of whom shall be an audiologist that dispenses hearing aids, 2 licensed hearing aid dispensers, and 3 public members. The bill would create the Hearing Aid Dispensing Committee, comprised of specified board members, to review and research the practice of fitting or selling hearing aids and to advise the board about this practice. The bill would require the board, by January 1, 2011, to review specified license fees to assess whether there is adequate revenue to support the board's functions. The bill would make other conforming changes.

The bill would incorporate additional changes to Sections 101 and 149 of the Business and Professions Code, proposed by AB 48 and SB 819, to be operative only if this bill and one or both of the other bills are chaptered and become effective on or before January 1, 2010, and this bill is chaptered last.

The bill would incorporate additional changes to Sections 2530.2, 3357, 3362, and 3456 of the Business and Professions Code proposed by both this bill and SB 821, to be operative only if SB 821 and this bill are both chaptered and become effective on or before January 1, 2010, and this bill is chaptered last.

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.

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

SECTION 1. Section 101 of the Business and Professions Code, as amended by Section 1 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

101. The department is comprised of:
- (a) The Dental Board of California.
  - (b) The Medical Board of California.
  - (c) The State Board of Optometry.
  - (d) The California State Board of Pharmacy.
  - (e) The Veterinary Medical Board.
  - (f) The California Board of Accountancy.
  - (g) The California Architects Board.

- (h) The Bureau of Barbering and Cosmetology.
- (i) The Board for Professional Engineers and Land Surveyors.
- (j) The Contractors' State License Board.
- (k) The Bureau for Private Postsecondary and Vocational Education.
- (l) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (m) The Board of Registered Nursing.
- (n) The Board of Behavioral Sciences.
- (o) The State Athletic Commission.
- (p) The Cemetery and Funeral Bureau.
- (q) The State Board of Guide Dogs for the Blind.
- (r) The Bureau of Security and Investigative Services.
- (s) The Court Reporters Board of California.
- (t) The Board of Vocational Nursing and Psychiatric Technicians.
- (u) The Landscape Architects Technical Committee.
- (v) The Division of Investigation.
- (w) The Bureau of Automotive Repair.
- (x) The Respiratory Care Board of California.
- (y) The Acupuncture Board.
- (z) The Board of Psychology.
- (aa) The California Board of Podiatric Medicine.
- (ab) The Physical Therapy Board of California.
- (ac) The Arbitration Review Program.
- (ad) The Physician Assistant Committee.
- (ae) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (af) The California Board of Occupational Therapy.
- (ag) The Osteopathic Medical Board of California.
- (ah) The Naturopathic Medicine Committee.
- (ai) The Dental Hygiene Committee of California.
- (aj) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 1.1. Section 101 of the Business and Professions Code, as amended by Section 1 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

101. The department is comprised of:
- (a) The Dental Board of California.
  - (b) The Medical Board of California.
  - (c) The State Board of Optometry.
  - (d) The California State Board of Pharmacy.
  - (e) The Veterinary Medical Board.
  - (f) The California Board of Accountancy.
  - (g) The California Architects Board.
  - (h) The Bureau of Barbering and Cosmetology.
  - (i) The Board for Professional Engineers and Land Surveyors.
  - (j) The Contractors' State License Board.
  - (k) The Bureau for Private Postsecondary Education.

(l) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.

(m) The Board of Registered Nursing.

(n) The Board of Behavioral Sciences.

(o) The State Athletic Commission.

(p) The Cemetery and Funeral Bureau.

(q) The State Board of Guide Dogs for the Blind.

(r) The Bureau of Security and Investigative Services.

(s) The Court Reporters Board of California.

(t) The Board of Vocational Nursing and Psychiatric Technicians.

(u) The Landscape Architects Technical Committee.

(v) The Division of Investigation.

(w) The Bureau of Automotive Repair.

(x) The Respiratory Care Board of California.

(y) The Acupuncture Board.

(z) The Board of Psychology.

(aa) The California Board of Podiatric Medicine.

(ab) The Physical Therapy Board of California.

(ac) The Arbitration Review Program.

(ad) The Physician Assistant Committee.

(ae) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.

(af) The California Board of Occupational Therapy.

(ag) The Osteopathic Medical Board of California.

(ah) The Naturopathic Medicine Committee.

(ai) The Dental Hygiene Committee of California.

(aj) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 1.2. Section 101 of the Business and Professions Code, as amended by Section 1 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

101. The department is comprised of:

(a) The Dental Board of California.

(b) The Medical Board of California.

(c) The State Board of Optometry.

(d) The California State Board of Pharmacy.

(e) The Veterinary Medical Board.

(f) The California Board of Accountancy.

(g) The California Architects Board.

(h) The Bureau of Barbering and Cosmetology.

(i) The Board for Professional Engineers and Land Surveyors.

(j) The Contractors' State License Board.

(k) The Bureau for Private Postsecondary and Vocational Education.

(l) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.

(m) The Board of Registered Nursing.

(n) The Board of Behavioral Sciences.

- (o) The State Athletic Commission.
- (p) The Cemetery and Funeral Bureau.
- (q) The State Board of Guide Dogs for the Blind.
- (r) The Bureau of Security and Investigative Services.
- (s) The Court Reporters Board of California.
- (t) The Board of Vocational Nursing and Psychiatric Technicians.
- (u) The Landscape Architects Technical Committee.
- (v) The Division of Investigation.
- (w) The Bureau of Automotive Repair.
- (x) The Respiratory Care Board of California.
- (y) The Acupuncture Board.
- (z) The Board of Psychology.
- (aa) The California Board of Podiatric Medicine.
- (ab) The Physical Therapy Board of California.
- (ac) The Arbitration Review Program.
- (ad) The Physician Assistant Committee.
- (ae) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (af) The California Board of Occupational Therapy.
- (ag) The Osteopathic Medical Board of California.
- (ah) The Naturopathic Medicine Committee.
- (ai) The Dental Hygiene Committee of California.
- (aj) The Professional Fiduciaries Bureau.
- (ak) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 1.3. Section 101 of the Business and Professions Code, as amended by Section 1 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

101. The department is comprised of:

- (a) The Dental Board of California.
- (b) The Medical Board of California.
- (c) The State Board of Optometry.
- (d) The California State Board of Pharmacy.
- (e) The Veterinary Medical Board.
- (f) The California Board of Accountancy.
- (g) The California Architects Board.
- (h) The Bureau of Barbering and Cosmetology.
- (i) The Board for Professional Engineers and Land Surveyors.
- (j) The Contractors' State License Board.
- (k) The Bureau for Private Postsecondary Education.
- (l) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (m) The Board of Registered Nursing.
- (n) The Board of Behavioral Sciences.
- (o) The State Athletic Commission.
- (p) The Cemetery and Funeral Bureau.
- (q) The State Board of Guide Dogs for the Blind.

- (r) The Bureau of Security and Investigative Services.
- (s) The Court Reporters Board of California.
- (t) The Board of Vocational Nursing and Psychiatric Technicians.
- (u) The Landscape Architects Technical Committee.
- (v) The Division of Investigation.
- (w) The Bureau of Automotive Repair.
- (x) The Respiratory Care Board of California.
- (y) The Acupuncture Board.
- (z) The Board of Psychology.
- (aa) The California Board of Podiatric Medicine.
- (ab) The Physical Therapy Board of California.
- (ac) The Arbitration Review Program.
- (ad) The Physician Assistant Committee.
- (ae) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (af) The California Board of Occupational Therapy.
- (ag) The Osteopathic Medical Board of California.
- (ah) The Naturopathic Medicine Committee.
- (ai) The Dental Hygiene Committee of California.
- (aj) The Professional Fiduciaries Bureau.
- (ak) Any other boards, offices, or officers subject to its jurisdiction by law.

SEC. 2. Section 149 of the Business and Professions Code, as amended by Section 3 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

149. (a) If, upon investigation, an agency designated in subdivision (e) has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services, without being properly licensed by or registered with the agency to offer or perform those services, the agency may issue a citation under Section 148 containing an order of correction that requires the violator to do both of the following:

- (1) Cease the unlawful advertising.
- (2) Notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(b) This action is stayed if the person to whom a citation is issued under subdivision (a) notifies the agency in writing that he or she intends to contest the citation. The agency shall afford an opportunity for a hearing, as specified in Section 125.9.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after that order is final, the agency shall inform the Public Utilities Commission of the violation and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation arising from the termination of service.

(e) Subdivision (a) shall apply to the following boards, bureaus, committees, commissions, or programs:

- (1) The Bureau of Barbering and Cosmetology.
- (2) The Cemetery and Funeral Bureau.
- (3) The Veterinary Medical Board.
- (4) The Landscape Architects Technical Committee.
- (5) The California Board of Podiatric Medicine.
- (6) The Respiratory Care Board of California.
- (7) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (8) The Bureau of Security and Investigative Services.
- (9) The Bureau of Automotive Repair.
- (10) The California Architects Board.
- (11) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (12) The Board for Professional Engineers and Land Surveyors.
- (13) The Board of Behavioral Sciences.
- (14) The Structural Pest Control Board within the Department of Pesticide Regulation.
- (15) The Acupuncture Board.
- (16) The Board of Psychology.
- (17) The California Board of Accountancy.
- (18) The Naturopathic Medicine Committee.

SEC. 2.1. Section 149 of the Business and Professions Code, as amended by Section 3 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

149. (a) If, upon investigation, an agency designated in subdivision (e) has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services, without being properly licensed by or registered with the agency to offer or perform those services, the agency may issue a citation under Section 148 containing an order of correction that requires the violator to do both of the following:

- (1) Cease the unlawful advertising.
- (2) Notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(b) This action is stayed if the person to whom a citation is issued under subdivision (a) notifies the agency in writing that he or she intends to contest the citation. The agency shall afford an opportunity for a hearing, as specified in Section 125.9.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after that

order is final, the agency shall inform the Public Utilities Commission of the violation and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation arising from the termination of service.

(e) Subdivision (a) shall apply to the following boards, bureaus, committees, commissions, or programs:

- (1) The Bureau of Barbering and Cosmetology.
- (2) The Cemetery and Funeral Bureau.
- (3) The Veterinary Medical Board.
- (4) The Landscape Architects Technical Committee.
- (5) The California Board of Podiatric Medicine.
- (6) The Respiratory Care Board of California.
- (7) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (8) The Bureau of Security and Investigative Services.
- (9) The Bureau of Automotive Repair.
- (10) The California Architects Board.
- (11) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (12) The Board for Professional Engineers and Land Surveyors.
- (13) The Board of Behavioral Sciences.
- (14) The Structural Pest Control Board within the Department of Pesticide Regulation.
- (15) The Acupuncture Board.
- (16) The Board of Psychology.
- (17) The California Board of Accountancy.
- (18) The Naturopathic Medicine Committee.
- (19) The Bureau for Private Postsecondary Education.

SEC. 2.2. Section 149 of the Business and Professions Code, as amended by Section 3 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

149. (a) If, upon investigation, an agency designated in subdivision (e) has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services, without being properly licensed by or registered with the agency to offer or perform those services, the agency may issue a citation under Section 148 containing an order of correction that requires the violator to do both of the following:

- (1) Cease the unlawful advertising.
- (2) Notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(b) This action is stayed if the person to whom a citation is issued under subdivision (a) notifies the agency in writing that he or she intends to contest the citation. The agency shall afford an opportunity for a hearing, as specified in Section 125.9.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after that order is final, the agency shall inform the Public Utilities Commission of the violation and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation arising from the termination of service.

(e) Subdivision (a) shall apply to the following boards, bureaus, committees, commissions, or programs:

- (1) The Bureau of Barbering and Cosmetology.
- (2) The Cemetery and Funeral Bureau.
- (3) The Veterinary Medical Board.
- (4) The Landscape Architects Technical Committee.
- (5) The California Board of Podiatric Medicine.
- (6) The Respiratory Care Board of California.
- (7) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.
- (8) The Bureau of Security and Investigative Services.
- (9) The Bureau of Automotive Repair.
- (10) The California Architects Board.
- (11) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.
- (12) The Board for Professional Engineers and Land Surveyors.
- (13) The Board of Behavioral Sciences.
- (14) The Structural Pest Control Board within the Department of Pesticide Regulation.
- (15) The Acupuncture Board.
- (16) The Board of Psychology.
- (17) The California Board of Accountancy.
- (18) The Naturopathic Medicine Committee.
- (19) The Physical Therapy Board.

SEC. 2.3. Section 149 of the Business and Professions Code, as amended by Section 3 Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

149. (a) If, upon investigation, an agency designated in subdivision (e) has probable cause to believe that a person is advertising in a telephone directory with respect to the offering or performance of services, without being properly licensed by or registered with the agency to offer or perform

those services, the agency may issue a citation under Section 148 containing an order of correction that requires the violator to do both of the following:

(1) Cease the unlawful advertising.

(2) Notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(b) This action is stayed if the person to whom a citation is issued under subdivision (a) notifies the agency in writing that he or she intends to contest the citation. The agency shall afford an opportunity for a hearing, as specified in Section 125.9.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after that order is final, the agency shall inform the Public Utilities Commission of the violation and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation arising from the termination of service.

(e) Subdivision (a) shall apply to the following boards, bureaus, committees, commissions, or programs:

(1) The Bureau of Barbering and Cosmetology.

(2) The Cemetery and Funeral Bureau.

(3) The Veterinary Medical Board.

(4) The Landscape Architects Technical Committee.

(5) The California Board of Podiatric Medicine.

(6) The Respiratory Care Board of California.

(7) The Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation.

(8) The Bureau of Security and Investigative Services.

(9) The Bureau of Automotive Repair.

(10) The California Architects Board.

(11) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.

(12) The Board for Professional Engineers and Land Surveyors.

(13) The Board of Behavioral Sciences.

(14) The Structural Pest Control Board within the Department of Pesticide Regulation.

(15) The Acupuncture Board.

(16) The Board of Psychology.

(17) The California Board of Accountancy.

(18) The Naturopathic Medicine Committee.

(19) The Bureau for Private Postsecondary Education.

(20) The Physical Therapy Board.

SEC. 3. Section 205 of the Business and Professions Code, as amended by Section 4 of Chapter 18 of the Fourth Extraordinary Session of the Statutes of 2009, is amended to read:

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

- (1) Accountancy Fund.
- (2) California Architects Board Fund.
- (3) Athletic Commission Fund.
- (4) Barbering and Cosmetology Contingent Fund.
- (5) Cemetery Fund.
- (6) Contractors' License Fund.
- (7) State Dentistry Fund.
- (8) State Funeral Directors and Embalmers Fund.
- (9) Guide Dogs for the Blind Fund.
- (10) Home Furnishings and Thermal Insulation Fund.
- (11) California Architects Board-Landscape Architects Fund.
- (12) Contingent Fund of the Medical Board of California.
- (13) Optometry Fund.
- (14) Pharmacy Board Contingent Fund.
- (15) Physical Therapy Fund.
- (16) Private Investigator Fund.
- (17) Professional Engineers' and Land Surveyors' Fund.
- (18) Consumer Affairs Fund.
- (19) Behavioral Sciences Fund.
- (20) Licensed Midwifery Fund.
- (21) Court Reporters' Fund.
- (22) Veterinary Medical Board Contingent Fund.
- (23) Vocational Nurses Account of the Vocational Nursing and Psychiatric Technicians Fund.
- (24) Electronic and Appliance Repair Fund.
- (25) Geology and Geophysics Fund.
- (26) Dispensing Opticians Fund.
- (27) Acupuncture Fund.
- (28) Physician Assistant Fund.
- (29) Board of Podiatric Medicine Fund.
- (30) Psychology Fund.
- (31) Respiratory Care Fund.
- (32) Speech-Language Pathology and Audiology Fund.
- (33) Board of Registered Nursing Fund.
- (34) Psychiatric Technician Examiners Account of the Vocational Nursing and Psychiatric Technicians Fund.
- (35) Animal Health Technician Examining Committee Fund.
- (36) State Dental Hygiene Fund.
- (37) State Dental Assistant Fund.
- (38) Hearing Aid Dispensers Account of the Speech-Language Pathology and Audiology Fund.

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

SEC. 3.5. Section 2220.5 of the Business and Professions Code is amended to read:

2220.5. (a) The Medical Board of California is the only licensing board that is authorized to investigate or commence disciplinary actions relating to physicians and surgeons who have been issued a certificate pursuant to Section 2050.

(b) For purposes of this section, “investigate or commence disciplinary actions” shall mean written, oral, or telephonic communication with a physician or surgeon concerning his or her violation of the Medical Practice Act or any other provision of this division.

(c) Written complaints that are subject to Section 43.96 of the Civil Code, relating to the professional conduct or professional competence of physicians and surgeons, shall be processed in accordance with that section.

SEC. 4. Section 2530.2 of the Business and Professions Code is amended to read:

2530.2. As used in this chapter, unless the context otherwise requires:

(a) “Board” means the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board. As used in this chapter or any other provision of law, “Speech-Language Pathology and Audiology Board” shall be deemed to refer to the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board or any other successor.

(b) “Person” means any individual, partnership, corporation, limited liability company, or other organization or combination thereof, except that only individuals can be licensed under this chapter.

(c) A “speech-language pathologist” is a person who practices speech-language pathology.

(d) The practice of speech-language pathology means all of the following:

(1) The application of principles, methods, instrumental procedures, and noninstrumental procedures for measurement, testing, screening, evaluation, identification, prediction, and counseling related to the development and disorders of speech, voice, language, or swallowing.

(2) The application of principles and methods for preventing, planning, directing, conducting, and supervising programs for habilitating, rehabilitating, ameliorating, managing, or modifying disorders of speech, voice, language, or swallowing in individuals or groups of individuals.

(3) Conducting hearing screenings.

(4) Performing suctioning in connection with the scope of practice described in paragraphs (1) and (2), after compliance with a medical facility’s training protocols on suctioning procedures.

(e) (1) Instrumental procedures referred to in subdivision (d) are the use of rigid and flexible endoscopes to observe the pharyngeal and laryngeal

areas of the throat in order to observe, collect data, and measure the parameters of communication and swallowing as well as to guide communication and swallowing assessment and therapy.

(2) Nothing in this subdivision shall be construed as a diagnosis. Any observation of an abnormality shall be referred to a physician and surgeon.

(f) A licensed speech-language pathologist shall not perform a flexible fiberoptic nasendoscopic procedure unless he or she has received written verification from an otolaryngologist certified by the American Board of Otolaryngology that the speech-language pathologist has performed a minimum of 25 flexible fiberoptic nasendoscopic procedures and is competent to perform these procedures. The speech-language pathologist shall have this written verification on file and readily available for inspection upon request by the board. A speech-language pathologist shall pass a flexible fiberoptic nasendoscopic instrument only under the direct authorization of an otolaryngologist certified by the American Board of Otolaryngology and the supervision of a physician and surgeon.

(g) A licensed speech-language pathologist shall only perform flexible endoscopic procedures described in subdivision (e) in a setting that requires the facility to have protocols for emergency medical backup procedures, including a physician and surgeon or other appropriate medical professionals being readily available.

(h) “Speech-language pathology aide” means any person meeting the minimum requirements established by the board, who works directly under the supervision of a speech-language pathologist.

(i) (1) “Speech-language pathology assistant” means a person who meets the academic and supervised training requirements set forth by the board and who is approved by the board to assist in the provision of speech-language pathology under the direction and supervision of a speech-language pathologist who shall be responsible for the extent, kind, and quality of the services provided by the speech-language pathology assistant.

(2) The supervising speech-language pathologist employed or contracted for by a public school may hold a valid and current license issued by the board, a valid, current, and professional clear clinical or rehabilitative services credential in language, speech, and hearing issued by the Commission on Teacher Credentialing, or other credential authorizing service in language, speech, and hearing issued by the Commission on Teacher Credentialing that is not issued on the basis of an emergency permit or waiver of requirements. For purposes of this paragraph, a “clear” credential is a credential that is not issued pursuant to a waiver or emergency permit and is as otherwise defined by the Commission on Teacher Credentialing. Nothing in this section referring to credentialed supervising speech-language pathologists expands existing exemptions from licensing pursuant to Section 2530.5.

(j) An “audiologist” is one who practices audiology.

(k) “The practice of audiology” means the application of principles, methods, and procedures of measurement, testing, appraisal, prediction,

consultation, counseling, and instruction related to auditory, vestibular, and related functions and the modification of communicative disorders involving speech, language, auditory behavior or other aberrant behavior resulting from auditory dysfunction; and the planning, directing, conducting, supervising, or participating in programs of identification of auditory disorders, hearing conservation, cerumen removal, aural habilitation, and rehabilitation, including, hearing aid recommendation and evaluation procedures including, but not limited to, specifying amplification requirements and evaluation of the results thereof, auditory training, speech reading, and the selling of hearing aids.

(l) "Audiology aide" means any person, meeting the minimum requirements established by the board, who works directly under the supervision of an audiologist.

(m) "Medical board" means the Medical Board of California.

(n) A "hearing screening" performed by a speech-language pathologist means a binary puretone screening at a preset intensity level for the purpose of determining if the screened individuals are in need of further medical or audiological evaluation.

(o) "Cerumen removal" means the nonroutine removal of cerumen within the cartilaginous ear canal necessary for access in performance of audiological procedures that shall occur under physician and surgeon supervision. Cerumen removal, as provided by this section, shall only be performed by a licensed audiologist. Physician and surgeon supervision shall not be construed to require the physical presence of the physician, but shall include all of the following:

(1) Collaboration on the development of written standardized protocols. The protocols shall include a requirement that the supervised audiologist immediately refer to an appropriate physician any trauma, including skin tears, bleeding, or other pathology of the ear discovered in the process of cerumen removal as defined in this subdivision.

(2) Approval by the supervising physician of the written standardized protocol.

(3) The supervising physician shall be within the general vicinity, as provided by the physician-audiologist protocol, of the supervised audiologist and available by telephone contact at the time of cerumen removal.

(4) A licensed physician and surgeon may not simultaneously supervise more than two audiologists for purposes of cerumen removal.

SEC. 4.5. Section 2530.2 of the Business and Professions Code is amended to read:

2530.2. As used in this chapter, unless the context otherwise requires:

(a) "Board" means the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board. As used in this chapter or any other provision of law, "Speech-Language Pathology and Audiology Board" shall be deemed to refer to the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board or any successor.

(b) “Person” means any individual, partnership, corporation, limited liability company, or other organization or combination thereof, except that only individuals can be licensed under this chapter.

(c) A “speech-language pathologist” is a person who practices speech-language pathology.

(d) The practice of speech-language pathology means all of the following:

(1) The application of principles, methods, instrumental procedures, and noninstrumental procedures for measurement, testing, screening, evaluation, identification, prediction, and counseling related to the development and disorders of speech, voice, language, or swallowing.

(2) The application of principles and methods for preventing, planning, directing, conducting, and supervising programs for habilitating, rehabilitating, ameliorating, managing, or modifying disorders of speech, voice, language, or swallowing in individuals or groups of individuals.

(3) Conducting hearing screenings.

(4) Performing suctioning in connection with the scope of practice described in paragraphs (1) and (2), after compliance with a medical facility’s training protocols on suctioning procedures.

(e) (1) Instrumental procedures referred to in subdivision (d) are the use of rigid and flexible endoscopes to observe the pharyngeal and laryngeal areas of the throat in order to observe, collect data, and measure the parameters of communication and swallowing as well as to guide communication and swallowing assessment and therapy.

(2) Nothing in this subdivision shall be construed as a diagnosis. Any observation of an abnormality shall be referred to a physician and surgeon.

(f) A licensed speech-language pathologist shall not perform a flexible fiberoptic nasendoscopic procedure unless he or she has received written verification from an otolaryngologist certified by the American Board of Otolaryngology that the speech-language pathologist has performed a minimum of 25 flexible fiberoptic nasendoscopic procedures and is competent to perform these procedures. The speech-language pathologist shall have this written verification on file and readily available for inspection upon request by the board. A speech-language pathologist shall pass a flexible fiberoptic nasendoscopic instrument only under the direct authorization of an otolaryngologist certified by the American Board of Otolaryngology and the supervision of a physician and surgeon.

(g) A licensed speech-language pathologist shall only perform flexible endoscopic procedures described in subdivision (e) in a setting that requires the facility to have protocols for emergency medical backup procedures, including a physician and surgeon or other appropriate medical professionals being readily available.

(h) “Speech-language pathology aide” means any person meeting the minimum requirements established by the board, who works directly under the supervision of a speech-language pathologist.

(i) (1) “Speech-language pathology assistant” means a person who meets the academic and supervised training requirements set forth by the board and who is approved by the board to assist in the provision of

speech-language pathology under the direction and supervision of a speech-language pathologist who shall be responsible for the extent, kind, and quality of the services provided by the speech-language pathology assistant.

(2) The supervising speech-language pathologist employed or contracted for by a public school may hold a valid and current license issued by the board, a valid, current, and professional clear clinical or rehabilitative services credential in language, speech, and hearing issued by the Commission on Teacher Credentialing, or other credential authorizing service in language, speech, and hearing issued by the Commission on Teacher Credentialing that is not issued on the basis of an emergency permit or waiver of requirements. For purposes of this paragraph, a “clear” credential is a credential that is not issued pursuant to a waiver or emergency permit and is as otherwise defined by the Commission on Teacher Credentialing. Nothing in this section referring to credentialed supervising speech-language pathologists expands existing exemptions from licensing pursuant to Section 2530.5.

(j) An “audiologist” is one who practices audiology.

(k) “The practice of audiology” means the application of principles, methods, and procedures of measurement, testing, appraisal, prediction, consultation, counseling, instruction related to auditory, vestibular, and related functions and the modification of communicative disorders involving speech, language, auditory behavior or other aberrant behavior resulting from auditory dysfunction; and the planning, directing, conducting, supervising, or participating in programs of identification of auditory disorders, hearing conservation, cerumen removal, aural habilitation, and rehabilitation, including hearing aid recommendation and evaluation procedures including, but not limited to, specifying amplification requirements and evaluation of the results thereof, auditory training, and speech reading, and the selling of hearing aids.

(l) “Audiology aide” means any person, meeting the minimum requirements established by the board. An audiology aide may not perform any function that constitutes the practice of audiology unless he or she is under the supervision of an audiologist. The board may by regulation exempt certain functions performed by an industrial audiology aide from supervision provided that his or her employer has established a set of procedures or protocols that the aide shall follow in performing these functions.

(m) “Medical board” means the Medical Board of California.

(n) A “hearing screening” performed by a speech-language pathologist means a binary puretone screening at a preset intensity level for the purpose of determining if the screened individuals are in need of further medical or audiological evaluation.

(o) “Cerumen removal” means the nonroutine removal of cerumen within the cartilaginous ear canal necessary for access in performance of audiological procedures that shall occur under physician and surgeon supervision. Cerumen removal, as provided by this section, shall only be performed by a licensed audiologist. Physician and surgeon supervision

shall not be construed to require the physical presence of the physician, but shall include all of the following:

(1) Collaboration on the development of written standardized protocols. The protocols shall include a requirement that the supervised audiologist immediately refer to an appropriate physician any trauma, including skin tears, bleeding, or other pathology of the ear discovered in the process of cerumen removal as defined in this subdivision.

(2) Approval by the supervising physician of the written standardized protocol.

(3) The supervising physician shall be within the general vicinity, as provided by the physician-audiologist protocol, of the supervised audiologist and available by telephone contact at the time of cerumen removal.

(4) A licensed physician and surgeon may not simultaneously supervise more than two audiologists for purposes of cerumen removal.

SEC. 5. Section 2531 of the Business and Professions Code is amended to read:

2531. (a) There is in the Department of Consumer Affairs a Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board in which the enforcement and administration of this chapter are vested. The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board shall consist of nine members, three of whom shall be public members.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2012, deletes or extends that date. The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with Section 473).

SEC. 6. Section 2531.05 of the Business and Professions Code is repealed.

SEC. 7. Section 2531.05 is added to the Business and Professions Code, to read:

2531.05. (a) The Hearing Aid Dispensing Committee is hereby created within the jurisdiction of the board.

(b) The committee shall be comprised of the following board members:

(1) The two licensed audiologists.

(2) The two licensed hearing aid dispensers.

(3) One public member of the board.

(4) The public member of the board who is a licensed physician and surgeon and who is board certified in otolaryngology.

(c) The committee shall review and research the practice of fitting or selling hearing aids and shall advise the board about this practice based on that review and research.

SEC. 8. Section 2531.06 is added to the Business and Professions Code, to read:

2531.06. The board is vested with the duties, powers, purposes, responsibilities, and jurisdiction over the licensing and regulation of hearing aid dispensers as provided under the Hearing Aid Dispenser Licensing Law (Chapter 7.5 (commencing with Section 3300)).

SEC. 9. Section 2531.2 of the Business and Professions Code is amended to read:

2531.2. The membership of the board shall include two licensed speech-language pathologists, two licensed audiologists, one of whom shall be an audiologist that dispenses hearing aids, two licensed hearing aid dispensers, and three public members one of whom is a licensed physician and surgeon, board certified in otolaryngology, and the remaining two public members who shall not be licentiates of the board or of any board under this division or of any board referred to in the Chiropractic Act or the Osteopathic Act.

The Governor shall appoint the physician and surgeon member and the other six licensed members qualified as provided in this section. The initial appointments of the licensed hearing aid dispenser members shall be made to fill the first licensed audiologist member vacancy and the first licensed speech-language pathologist member vacancy that occurs on or after January 1, 2010. The Senate Committee on Rules and the Speaker of the Assembly shall each appoint a public member.

SEC. 10. Section 2534 of the Business and Professions Code is amended to read:

2534. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter and Chapter 7.5 (commencing with Section 3300), and shall pay the entire amount thereof to the Treasurer for deposit in the Speech-Language Pathology and Audiology Fund, which fund is hereby created to carry out the purposes of this chapter and Chapter 7.5 (commencing with Section 3300).

SEC. 11. Section 2534.2 of the Business and Professions Code is amended to read:

2534.2. The amount of the fees prescribed by this chapter is that established by the following schedule:

(a) (1) The application fee and renewal fee for speech-language pathologists and nondispensing audiologists shall be established by the board in an amount that does not exceed one hundred fifty dollars (\$150) but is sufficient to support the functions of the board that relate to the functions authorized by this chapter, excluding Article 9 (commencing with Section 2539.1).

(2) The application fee and renewal fee for dispensing audiologists shall be established by the board in an amount that does not exceed two hundred eighty dollars (\$280) but is sufficient to support the functions of the board that relate to the functions authorized by this chapter.

(b) The delinquency fee shall be twenty-five dollars (\$25).

(c) The reexamination fee shall be established by the board in an amount that does not exceed seventy-five dollars (\$75).

(d) The fee for registration of an aide shall be established by the board in an amount that does not exceed thirty dollars (\$30).

(e) A fee to be set by the board of not more than one hundred dollars (\$100) shall be charged for each application for approval as a speech-language pathology assistant.

(f) A fee of one hundred fifty dollars (\$150) shall be charged for the issuance of and for the renewal of each approval as a speech-language pathology assistant, unless a lower fee is established by the board.

(g) The duplicate wall certificate fee is twenty-five dollars (\$25).

(h) The duplicate renewal receipt fee is twenty-five dollars (\$25).

(i) The application fee and renewal fee for a temporary license is thirty dollars (\$30).

(j) The fee for issuance of a license status and history certification letter shall be established by the board in an amount not to exceed twenty-five dollars (\$25).

SEC. 12. Article 9 (commencing with Section 2539.1) is added to Chapter 5.3 of Division 2 of the Business and Professions Code, to read:

#### Article 9. Hearing Aids

2539.1. (a) (1) On and after January 1, 2010, in addition to satisfying the licensure and examination requirements described in Sections 2532 and 2532.2, no licensed audiologist shall sell hearing aids unless he or she has completed an application for a dispensing audiologist certificate, paid all applicable fees, and passed an examination, approved by the board, relating to selling hearing aids.

(2) The board shall issue a dispensing audiologist certificate to a licensed audiologist who meets the requirements of paragraph (1).

(b) On and after January 1, 2010, a licensed audiologist with an unexpired license to sell hearing aids pursuant to Chapter 7.5 (commencing with Section 3300) may continue to sell hearing aids pursuant to that license until that license expires pursuant to Section 3451, and upon that expiration the licensee shall be deemed to have satisfied the requirements described in subdivision (a) and may continue to sell hearing aids pursuant to his or her audiology license subject to the provisions of this chapter. A licensed audiologist whose license to sell hearing aids, issued pursuant to Chapter 7.5 (commencing with Section 3300), is suspended or revoked shall not be authorized to sell hearing aids pursuant to this subdivision and he or she shall be subject to the requirements described in subdivision (a) as well as the other provisions of this chapter.

(c) For purposes of subdivision (a), the board shall provide the hearing aid dispenser's examination provided by the former Hearing Aid Dispensers Bureau until such time as the next examination validation and occupational analysis is completed by the Department of Consumer Affairs pursuant to Section 139 and a determination is made that a different examination is to be administered.

2539.2. (a) Hearing aids may be sold by catalog or direct mail provided that:

(1) The seller is licensed as an audiologist in this state and is authorized to sell hearing aids pursuant to Section 2539.1.

(2) There is no fitting, selection, or adaptation of the instrument and no advice is given with respect to fitting, selection, or adaptation of the instrument and no advice is given with respect to the taking of an ear impression for an earmold by the seller.

(3) The seller has received a statement which is signed by a physician and surgeon, audiologist, or a hearing aid dispenser, licensed by the State of California which verifies that Section 2539.6 has been complied with.

(b) A copy of the statement referred to in paragraph (3) of subdivision (a) shall be retained by the seller for the period provided for in Section 2539.10.

2539.4. A licensed audiologist shall, upon the consummation of a sale of a hearing aid, deliver to the purchaser a written receipt, signed by or on behalf of the licensed audiologist, containing all of the following:

(a) The date of consummation of the sale.

(b) Specifications as to the make, serial number, and model number of the hearing aid or aids sold.

(c) The address of the principal place of business of the licensed audiologist, and the address and office hours at which the licensed audiologist shall be available for fitting or postfitting adjustments and servicing of the hearing aid or aids sold.

(d) A statement to the effect that the aid or aids delivered to the purchaser are used or reconditioned, as the case may be, if that is the fact.

(e) The number of the licensed audiologist's license and the name and license number of any other hearing aid dispenser, temporary licensee, or audiologist who provided any recommendation or consultation regarding the purchase of the hearing aid.

(f) The terms of any guarantee or written warranty, required by Section 1793.02 of the Civil Code, made to the purchaser with respect to the hearing aid or hearing aids.

2539.6. (a) Whenever any of the following conditions are found to exist either from observations by the licensed audiologist or on the basis of information furnished by the prospective hearing aid user, a licensed audiologist shall, prior to fitting or selling a hearing aid to any individual, suggest to that individual in writing that his or her best interests would be served if he or she would consult a licensed physician specializing in diseases of the ear or if no licensed physician is available in the community then to a duly licensed physician:

(1) Visible congenital or traumatic deformity of the ear.

(2) History of, or active, drainage from the ear within the previous 90 days.

(3) History of sudden or rapidly progressive hearing loss within the previous 90 days.

(4) Acute or chronic dizziness.

(5) Unilateral hearing loss of sudden or recent onset within the previous 90 days.

(6) Significant air-bone gap (when generally acceptable standards have been established).

(b) No referral for medical opinion need be made by any licensed audiologist in the instance of replacement only of a hearing aid that has been lost or damaged beyond repair within one year of the date of purchase. A copy of the written recommendation shall be retained by the licensed audiologist for the period provided for in Section 2539.10. A person receiving the written recommendation who elects to purchase a hearing aid shall sign a receipt for the same, and the receipt shall be kept with the other papers retained by the licensed audiologist for the period provided for in Section 2539.10. Nothing in this section required to be performed by a licensed audiologist shall mean that the licensed audiologist is engaged in the diagnosis of illness or the practice of medicine or any other activity prohibited by the provisions of this code.

2539.8. No hearing aid shall be sold by an individual licensed as an audiologist under this chapter to a person 16 years of age or younger, unless within the preceding six months a recommendation for a hearing aid has been made by both a board-certified, or a board-eligible physician specializing in otolaryngology, and by a state licensed audiologist. A replacement of an identical hearing aid within one year shall be an exception to this requirement.

2539.10. A licensed audiologist shall, upon the consummation of a sale of a hearing aid, keep and maintain records in his or her office or place of business at all times and each such record shall be kept and maintained for a seven-year period. These records shall include:

(a) Results of test techniques as they pertain to fitting of the hearing aid.

(b) A copy of the written receipt required by Section 2539.4 and the written recommendation and receipt required by Section 2539.6, when applicable.

2539.12. A licensed audiologist who is the owner, manager, or franchisee at a location where hearing aids are fit or sold, shall be responsible for the adequacy of the fitting or selling of any hearing aid fit and sold by any licensee or licensees at that location.

2539.14. The provisions of subdivisions (b) and (c) of Section 3306 and the provisions of Section 3306.3 do not apply to a licensed audiologist who satisfies the requirements of Section 2539.1.

SEC. 13. Section 3300 of the Business and Professions Code is amended to read:

3300. For the purposes of this chapter, the following definitions shall apply:

(a) "Person" includes any individual, partnership, corporation, limited liability company, or other organization, or any combination thereof.

(b) "Advertise" and its variants include the use of a newspaper, magazine, or other publication, book, notice, circular, pamphlet, letter, handbill, poster, bill, sign, placard, card, label, tag, window display, store sign, radio, or television announcement, or any other means or methods now or hereafter

employed to bring to the attention of the public the practice of fitting or selling of hearing aids.

(c) “Board” means the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board.

(d) “License” means a hearing aid dispenser’s license issued pursuant to this chapter and includes a temporary license.

(e) “Licensee” means a person holding a license.

(f) “Hearing aid” means any wearable instrument or device designed for, or offered for the purpose of, aiding or compensating for impaired human hearing.

(g) “Fund” means the Speech-Language Pathology and Audiology Fund.

(h) “Account” means the Hearing Aid Dispensers Account of the Speech-Language Pathology and Audiology Fund. As used in this chapter or any other provision of law, “Hearing Aid Dispensers Fund” shall be deemed to refer to the Hearing Aid Dispensers Account of the Speech-Language Pathology and Audiology Fund.

SEC. 14. Section 3306 of the Business and Professions Code is amended to read:

3306. (a) “Practice of fitting or selling hearing aids,” as used in this chapter, means those practices used for the purpose of selection and adaptation of hearing aids, including direct observation of the ear, testing of hearing in connection with the fitting and selling of hearing aids, taking of ear mold impressions, fitting or sale of hearing aids, and any necessary postfitting counseling.

The practice of fitting or selling hearing aids does not include the act of concluding the transaction by a retail clerk.

When any audiometer or other equipment is used in the practice of fitting or selling hearing aids, it shall be kept properly calibrated and in good working condition, and the calibration of the audiometer or other equipment shall be checked at least annually.

(b) A hearing aid dispenser shall not conduct diagnostic hearing tests when conducting tests in connection with the practice of fitting or selling hearing aids.

(c) Hearing tests conducted pursuant to this chapter shall include those that are in compliance with the Food and Drug Administration Guidelines for Hearing Aid Devices and those that are specifically covered in the licensing examination prepared and administered by the board.

SEC. 15. Section 3307 of the Business and Professions Code is amended to read:

3307. “Hearing aid dispenser,” as used in this chapter, means a person engaged in the practice of fitting or selling hearing aids to an individual with impaired hearing.

SEC. 16. Section 3320 of the Business and Professions Code is repealed.

SEC. 17. Section 3320 is added to the Business and Professions Code, to read:

3320. (a) The duties, powers, purposes, responsibilities, and jurisdiction of the Hearing Aid Dispensers Bureau within the Department of Consumer

Affairs are hereby transferred to the Speech-Language Pathology and Audiology Board.

(b) Any reference to the bureau in this chapter and its regulations, and elsewhere, shall be construed as a reference to the board.

(c) In the performance of the duties and the exercise of the powers vested in the board under this chapter, the board may consult with industry representatives.

(d) For the performance of the duties and the exercise of the powers vested in the board under this chapter, the board shall have possession and control of all records, papers, offices, equipment, supplies, or other property, real or personal, held for the benefit or use by the former Hearing Aid Dispensers Bureau.

(e) All regulations in Division 13.3 (commencing with Section 1399.100) of Title 16 of the California Code of Regulations are continued in existence under the administration of the board.

SEC. 18. Section 3320.1 of the Business and Professions Code is amended to read:

3320.1. Protection of the public shall be the highest priority for the board in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

SEC. 19. Section 3321 of the Business and Professions Code is repealed.

SEC. 20. Section 3322 is added to the Business and Professions Code, to read:

3322. (a) The duty of administering and enforcing this chapter is vested in the board.

(b) The board is vested with the duties, powers, purposes, responsibilities, and jurisdiction granted under this chapter and under Chapter 5.3 (commencing with Section 2530).

SEC. 21. Section 3325 of the Business and Professions Code is repealed.

SEC. 22. Section 3326 of the Business and Professions Code is amended to read:

3326. The board shall keep a record of all prosecutions for violations of this chapter and of all examinations held for applicants for licenses together with the names and addresses of all persons taking examinations and of their success or failure to pass them.

SEC. 23. Section 3327 of the Business and Professions Code is amended to read:

3327. The board may recommend the preparation of and administration of a course of instruction concerned with the fitting and selection of hearing aids. The board may require applicants to first complete the required course of instruction or otherwise satisfy the board that the applicant possesses the necessary background and qualifications to fit or sell hearing aids. If the board promulgates regulations to implement this section to require a course of instruction concerned with fitting and selling hearing aids, the board shall obtain the advice of persons knowledgeable in the preparation and administration of a course of instruction.

The board may publish and distribute information concerning the examination requirements for obtaining a license to engage in the practice of fitting and selling hearing aids within this state.

SEC. 24. Section 3327.5 of the Business and Professions Code is amended to read:

3327.5. All holders of licenses to sell or fit hearing aids shall continue their education after receiving the license. The board shall provide by regulation, as a condition to the renewal of a license, that licensees shall submit documentation satisfactory to the board that they have informed themselves of current practices related to the fitting of hearing aids by having pursued courses of study satisfactory to the board or by other means defined as equivalent by the board.

Continuing education courses shall be subject to monitoring to ensure compliance with the regulations adopted by the board pursuant to this section.

SEC. 25. Section 3328 of the Business and Professions Code is amended to read:

3328. The board may adopt, amend, or repeal, in accordance with the provisions of the Administrative Procedure Act, regulations that are necessary to enable the board to carry into effect the provisions of law relating to the practice of fitting or selling hearing aids.

SEC. 26. Section 3329 of the Business and Professions Code is amended to read:

3329. (a) The board may prosecute any and all persons for any violation of this chapter.

(b) The board shall hear and decide all matters, including but not limited to, any contested case or any petition for reinstatement or modification of probation, or may assign any of those matters to an administrative law judge in accordance with the Administrative Procedure Act. Except as otherwise provided in this chapter, all hearings shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 27. Section 3330 of the Business and Professions Code is repealed.

SEC. 28. Section 3350 of the Business and Professions Code is amended to read:

3350. It is unlawful for an individual to engage in the practice of fitting or selling hearing aids, or to display a sign or in any other way to advertise or hold himself or herself out as being so engaged without having first obtained a license from the board under the provisions of this chapter. Nothing in this chapter shall prohibit a corporation, partnership, trust, association or other like organization maintaining an established business address from engaging in the business of fitting or selling, or offering for sale, hearing aids at retail without a license, provided that any and all fitting or selling of hearing aids is conducted by the individuals who are licensed pursuant to the provisions of this chapter. A person whose license as a hearing aid dispenser has been suspended or revoked shall not be the proprietor of a business that engages in the practice of fitting or selling

hearing aids nor shall that person be a partner, shareholder, member, or fiduciary in a partnership, corporation, association, or trust that maintains or operates that business, during the period of the suspension or revocation. This restriction shall not apply to stock ownership in a corporation that is listed on a stock exchange regulated by the Securities and Exchange Commission if the stock is acquired in a transaction conducted through that stock exchange.

SEC. 30. Section 3352 of the Business and Professions Code is amended to read:

3352. Each person desiring to obtain a license to engage in the practice of fitting or selling hearing aids shall make application to the board. The application shall be made upon a form and shall be made in the manner as is provided by the board and shall be accompanied by the fee provided for in Section 3456.

SEC. 31. Section 3353 of the Business and Professions Code is amended to read:

3353. (a) The board shall prepare, approve, grade, and conduct examinations of applicants for a hearing aid dispenser's license. The board may provide that the preparation and grading of the examination be conducted by a competent person or organization other than the board, provided, however, that the board shall establish the guidelines for the examination and shall approve the actual examination.

(b) Each applicant shall take and pass a written examination and a practical examination compiled at the direction of the board covering the critical tasks involved in the practice of fitting and selling hearing aids and the knowledge, skills, and abilities needed to perform those tasks safely and competently.

SEC. 32. Section 3354 of the Business and Professions Code is amended to read:

3354. The board shall issue a license to all applicants who have satisfied this chapter, who are at least 18 years of age, who possess a high school diploma or its equivalent, who have not committed acts or crimes constituting grounds for denial of licensure under Section 480, and who have paid the fees provided for in Section 3456. No license shall be issued to any person other than an individual.

SEC. 33. Section 3356 of the Business and Professions Code is amended to read:

3356. (a) An applicant who has fulfilled the requirements of Section 3352 and has made application therefor, may have a temporary license issued to him or her upon satisfactory proof to the board that the applicant holds a hearing aid dispenser's license in another state, that the licensee has not been subject to formal disciplinary action by another licensing authority, and that the applicant has been engaged in the fitting and sale of hearing aids for the two years immediately prior to application.

(b) A temporary license issued pursuant to this section shall be valid for one year from date of issuance and is not renewable. A temporary license

shall automatically terminate upon issuance of a license prior to expiration of the one-year period.

(c) The holder of a temporary license issued pursuant to this section who fails either license examination shall be subject to and shall comply with the supervision requirements of Section 3357 and any regulations adopted pursuant thereto.

SEC. 34. Section 3357 of the Business and Professions Code is amended to read:

3357. (a) An applicant who has fulfilled the requirements of Section 3352, and has made application therefor, and who proves to the satisfaction of the board that he or she will be supervised and trained by a hearing aid dispenser who is approved by the board may have a temporary license issued to him or her. The temporary license shall entitle the temporary licensee to fit or sell hearing aids as set forth in regulations of the board. The supervising dispenser shall be responsible for any acts or omissions committed by a temporary licensee under his or her supervision that may constitute a violation of this chapter.

(b) The board shall adopt regulations setting forth criteria for its refusal to approve a hearing aid dispenser to supervise a temporary licensee, including procedures to appeal that decision.

(c) A temporary license issued pursuant to this section is effective and valid for six months from date of issue. The board may renew the temporary license for an additional period of six months. The board shall not issue more than two renewals of a temporary license to any applicant, and if a temporary licensee who is entitled to renew a temporary license does not renew the temporary license and applies for a new temporary license at a later time, the new temporary license shall only be issued and renewed subject to the limitations set forth in this subdivision.

SEC. 34.5. Section 3357 of the Business and Professions Code is amended to read:

3357. (a) An applicant who has fulfilled the requirements of Section 3352, and has made application therefor, and who proves to the satisfaction of the board that he or she will be supervised and trained by a hearing aid dispenser who is approved by the board may have a temporary license issued to him or her. The temporary license shall entitle the temporary licensee to fit or sell hearing aids as set forth in regulations of the board. The supervising dispenser shall be responsible for any acts or omissions committed by a temporary licensee under his or her supervision that may constitute a violation of this chapter.

(b) The board shall adopt regulations setting forth criteria for its refusal to approve a hearing aid dispenser to supervise a temporary licensee, including procedures to appeal that decision.

(c) A temporary license issued pursuant to this section is effective and valid for six months from date of issue. The board may renew the temporary license for an additional period of six months. Except as provided in subdivision (d), the board shall not issue more than two renewals of a temporary license to any applicant. Notwithstanding subdivision (d), if a

temporary licensee who is entitled to renew a temporary license does not renew the temporary license and applies for a new temporary license at a later time, the new temporary license shall only be issued and renewed subject to the limitations set forth in this subdivision.

(d) A new temporary license may be issued pursuant to this section if a temporary license issued pursuant to subdivision (c) has lapsed for a minimum of three years from the expiration or cancellation date of the previous temporary license. The bureau may issue only one new temporary license under this subdivision.

SEC. 35. Section 3358 of the Business and Professions Code is amended to read:

3358. A temporary licensee under Section 3357 shall take the license examination within the first 10 months after the temporary license is issued. Failure to take the license examination within that time shall result in expiration of the temporary license, and it shall not be renewed unless the temporary licensee has first taken the licensure examination. The board, however, may in its discretion renew the temporary license if the licensee failed to take the necessary examination due to illness or other hardship.

SEC. 36. Section 3360 of the Business and Professions Code is amended to read:

3360. Practical examinations shall be held by the board at least twice a year. The time and place of any practical examination shall be fixed by the board at least 45 days prior to the date it is to be held.

SEC. 37. Section 3362 of the Business and Professions Code is amended to read:

3362. (a) Before engaging in the practice of fitting or selling hearing aids, each licensee shall notify the board in writing of the address or addresses where he or she is to engage, or intends to engage, in the practice of fitting or selling hearing aids, and of any changes in his or her place of business.

(b) If a street address is not the address at which the licensee receives mail, the licensee shall also notify the board in writing of the mailing address for each location where the licensee is to engage, or intends to engage, in the practice of fitting or selling hearing aids, and of any change in the mailing address of his or her place or places of business.

SEC. 37.5. Section 3362 of the Business and Professions Code is amended to read:

3362. (a) Before engaging in the practice of fitting or selling hearing aids, each licensee shall notify the board in writing of the address or addresses where he or she is to engage, or intends to engage, in the practice of fitting or selling hearing aids, and of any changes in his or her place of business within 30 days of engaging in that practice.

(b) If a street address is not the address at which the licensee receives mail, the licensee shall also notify the board in writing of the mailing address for each location where the licensee is to engage, or intends to engage, in the practice of fitting or selling hearing aids, and of any change in the mailing address of his or her place or places of business.

SEC. 38. Section 3364 of the Business and Professions Code is amended to read:

3364. (a) Every licensee who engages in the practice of fitting or selling hearing aids shall have and maintain an established retail business address to engage in that fitting or selling, routinely open for service to customers or clients. The address of the licensee's place of business shall be registered with the bureau as provided in Section 3362.

(b) Except as provided in subdivision (c), if a licensee maintains more than one place of business within this state, he or she shall apply for and procure a duplicate license for each branch office maintained. The application shall state the name of the person and the location of the place or places of business for which the duplicate license is desired.

(c) A hearing aid dispenser may, without obtaining a duplicate license for a branch office, engage on a temporary basis in the practice of fitting or selling hearing aids at the primary or branch location of another licensee's business or at a location or facility that he or she may use on a temporary basis, provided that the hearing aid dispenser notifies the board in advance in writing of the dates and addresses of those businesses, locations, or facilities at which he or she will engage in the practice of fitting or selling hearing aids.

SEC. 39. Section 3400 of the Business and Professions Code is amended to read:

3400. Proceedings to deny, suspend, or revoke a license under this chapter, shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all of the powers granted therein.

SEC. 40. Section 3401 of the Business and Professions Code is amended to read:

3401. The board may deny, issue subject to terms and conditions, suspend, or revoke a license, or impose conditions of probation upon a licensee, for any of the following causes:

(a) Gross incompetency, which includes, but is not limited to, the improper or unnecessary fitting of a hearing aid.

(b) Gross negligence.

(c) Repeated negligent acts.

(d) Conviction of any crime substantially related to the qualifications, functions, or duties of a hearing aid dispenser.

(e) Obtaining a license by fraud or deceit.

(f) Use of the term "doctor" or "physician" or "clinic" or "audiologist," or any derivation thereof, except as authorized by law.

(g) Fraud or misrepresentation in the fitting or selling of a hearing aid.

(h) The employment, to perform any act covered by this chapter, of any person whose license has been suspended, revoked, or who does not possess a valid license issued under this chapter.

(i) The use, or causing the use, of any advertising or promotional literature in a manner that has the capacity or tendency to mislead or deceive purchasers or prospective purchasers.

(j) Habitual intemperance in the use of alcohol or any controlled substance.

(k) Permitting another to use his or her license for any purpose.

(l) Violation of any provision of this chapter or of any regulation adopted pursuant to this chapter.

(m) Any cause that would be grounds for denial of an application for a license.

(n) Violation of Section 1689.6 or 1793.02 of the Civil Code.

SEC. 41. Section 3402 of the Business and Professions Code is amended to read:

3402. Upon denial of an application for license, the board shall notify the applicant in writing, stating (1) the reason for the denial and (2) that the applicant has a right to a hearing under Section 3400 if he or she makes written request therefor within 60 days after notice of denial. Service of the notice required by this section may be made by certified mail addressed to the applicant at the latest address filed by the applicant in writing with the board in his or her application or otherwise.

SEC. 42. Section 3403 of the Business and Professions Code is amended to read:

3403. A plea or verdict of guilty or a conviction following a plea of nolo contendere, made to a charge substantially related to the qualifications, functions, and duties of a hearing aid dispenser is deemed to be a conviction within the meaning of this article. The board may order the license suspended or revoked, impose probationary conditions on a licensee, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

SEC. 43. Section 3404 of the Business and Professions Code is amended to read:

3404. Before setting aside the revocation or suspension of any license or modifying the probation of any licensee, the board may require the petitioner to pass the regular examination given for applicants for licenses.

SEC. 44. Section 3421 of the Business and Professions Code is amended to read:

3421. It is unlawful to sell or barter, or offer to sell or barter, any license issued by the board.

SEC. 45. Section 3422 of the Business and Professions Code is amended to read:

3422. It is unlawful to purchase or procure by barter any license issued by the board with intent to use the same as evidence of the holder's qualification to practice the fitting or selling of hearing aids.

SEC. 46. Section 3423 of the Business and Professions Code is amended to read:

3423. It is unlawful to alter with fraudulent intent in any material regard a license issued by the board.

SEC. 47. Section 3424 of the Business and Professions Code is amended to read:

3424. It is unlawful to use or attempt to use any license issued by the board that has been purchased, fraudulently issued, counterfeited, or materially altered as a valid license.

SEC. 48. Section 3426 of the Business and Professions Code is amended to read:

3426. It is unlawful to willfully make any false statement in a material regard in an application for an examination before the board for a license.

SEC. 49. Section 3430 of the Business and Professions Code is amended to read:

3430. In addition to other proceedings provided for in this chapter, whenever any person has engaged, or is about to engage, in any acts or practices that constitute, or will constitute, an offense against this chapter, the superior court for the county wherein the acts or practices take place or are about to take place, may issue an injunction or other appropriate order, restraining such conduct on application of the board, the Attorney General, or the district attorney of the county. If the acts or practices constitute, or will constitute, an offense against Section 3306.5, the application to the superior court may be made by the State Board of Optometry. The proceedings under this section shall be governed by Chapter 3 (commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure.

SEC. 50. Section 3451 of the Business and Professions Code is amended to read:

3451. (a) A license issued under this chapter expires at midnight on its assigned renewal date.

(b) To renew an unexpired license, the licensee shall, on or before the date of expiration of the license, apply for renewal on a form provided by the board, accompanied by the prescribed renewal fee.

(c) Temporary license holders shall renew their licenses in accordance with Section 3357, and apply for that renewal on a form provided by the board, accompanied by the prescribed renewal fee for temporary licenses.

(d) Each duplicate license issued for a branch office shall expire on the same date as the permanent license of the hearing aid dispenser to whom the duplicate license was issued. These duplicate licenses shall be renewed according to subdivision (b).

SEC. 51. Section 3452 of the Business and Professions Code is amended to read:

3452. Except as otherwise provided in this chapter, an expired license may be renewed at any time within three years after its expiration on filing of an application for renewal on a form prescribed by the board, and payment of all accrued and unpaid renewal fees. If the license is renewed after its expiration the licensee, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date

on which the renewal fee is paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the license shall continue in effect through the date provided in Section 3451 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 52. Section 3454 of the Business and Professions Code is amended to read:

3454. A license that is not renewed within three years after its expiration may not be renewed, restored, reissued, or reinstated thereafter, but the holder of the expired license may apply for and obtain a new license if all of the following apply:

(a) He or she has not committed acts or crimes constituting grounds for denial of licensure under Section 480.

(b) He or she pays all the fees that would be required of him or her if he or she were then applying for a license for the first time.

(c) He or she takes and passes the examination that would be required of him or her if he or she were then applying for a license for the first time, or otherwise establishes to the satisfaction of the board that he or she is qualified to engage in the practice of fitting or selling hearing aids. The board may, by regulation, provide for the waiver or refund of all or any part of the application fee in those cases in which a license is issued without an examination under this section.

SEC. 53. Section 3455 of the Business and Professions Code is amended to read:

3455. (a) The Hearing Aid Dispensers Account is hereby created in the Speech-Language Pathology and Audiology Fund.

(b) All money in the Hearing Aid Dispensers Fund on January 1, 2010, shall be transferred on that date to the Hearing Aid Dispensers Account of the Speech-Language Pathology and Audiology Fund. All fees collected pursuant to this chapter shall be paid by the board into the Hearing Aid Dispensers Account of the Speech-Language Pathology and Audiology Fund. All money in that account and fund shall be used to carry out the purposes of this chapter and Chapter 5.3 (commencing with Section 2530), as provided in Section 2534.

SEC. 54. Section 3456 of the Business and Professions Code is amended to read:

3456. The amount of fees and penalties prescribed by this chapter shall be those set forth in this section unless a lower fee is fixed by the board:

(a) The fee for applicants applying for the first time for a license is seventy-five dollars (\$75), which shall not be refunded, except to applicants who are found to be ineligible to take an examination for a license. Those applicants are entitled to a refund of fifty dollars (\$50).

(b) The fees for taking or retaking the written and practical examinations shall be amounts fixed by the board, which shall be equal to the actual cost of preparing, grading, analyzing, and administering the examinations.

(c) The initial temporary license fee is one hundred dollars (\$100). The fee for renewal of a temporary license is one hundred dollars (\$100) for each renewal.

(d) The initial permanent license fee is two hundred eighty dollars (\$280). The fee for renewal of a permanent license is not more than two hundred eighty dollars (\$280) for each renewal.

(e) The initial branch office license fee is twenty-five dollars (\$25). The fee for renewal of a branch office license is twenty-five dollars (\$25) for each renewal.

(f) The delinquency fee is twenty-five dollars (\$25).

(g) The fee for issuance of a replacement license is twenty-five dollars (\$25).

(h) The continuing education course approval application fee is fifty dollars (\$50). The fee for a continuing education course transcript is ten dollars (\$10).

(i) The fee for official certification of licensure is fifteen dollars (\$15). The fee for a license confirmation letter is ten dollars (\$10).

SEC. 54.5. Section 3456 of the Business and Professions Code is amended to read:

3456. The amount of fees and penalties prescribed by this chapter shall be those set forth in this section unless a lower fee is fixed by the board:

(a) The fee for applicants applying for the first time for a license is seventy-five dollars (\$75), which shall not be refunded, except to applicants who are found to be ineligible to take an examination for a license. Those applicants are entitled to a refund of fifty dollars (\$50).

(b) The fees for taking or retaking the written and practical examinations shall be amounts fixed by the board, which shall be equal to the actual cost of preparing, grading, analyzing, and administering the examinations.

(c) The initial temporary license fee is one hundred dollars (\$100). The fee for renewal of a temporary license is one hundred dollars (\$100) for each renewal.

(d) The initial permanent license fee is two hundred eighty dollars (\$280). The fee for renewal of a permanent license is not more than two hundred eighty dollars (\$280) for each renewal.

(e) The initial branch office license fee is twenty-five dollars (\$25). The fee for renewal of a branch office license is twenty-five dollars (\$25) for each renewal.

(f) The delinquency fee is twenty-five dollars (\$25).

(g) The fee for issuance of a replacement license is twenty-five dollars (\$25).

(h) The continuing education course approval application fee is fifty dollars (\$50).

(i) The fee for official certification of licensure is fifteen dollars (\$15).

SEC. 55. (a) The Legislature finds and declares that the license fees for audiologists who sell hearing aids and the license fees for hearing aid dispensers will need to be adjusted to reflect the transfer of duties, powers, purposes, and responsibilities from the Hearing Aid Dispensers Bureau to

the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board pursuant to this act, and to ensure that the fees paid to support the board in its regulation of licensed audiologists who sell hearing aids and hearing aid dispensers are fairly appropriated.

(b) The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board shall, no later than January 1, 2011, review the license fees paid by audiologists and hearing aid dispensers in order to assess whether that revenue is adequate to support the functions of the board that relate to the functions authorized by Chapter 5.3 (commencing with Section 2530) and Chapter 7.5 (commencing with Section 3300) of Division 2 of the Business and Professions Code.

SEC. 56. In transferring the duties, powers, purposes, responsibilities, and jurisdiction of the Hearing Aid Dispenser's Bureau to the Speech-Language Pathology and Audiology Board and Hearing Aid Dispensers Board, it is the intent of the Legislature that, to the extent possible, the appointed members of the board shall remain as members of the board subject to the terms specified under this act. It is the intent of the Legislature that the executive officer of the board shall remain as the executive officer of the board under the terms of this act.

SEC. 57. (a) Section 1.1 of this bill incorporates amendments to Section 101 of the Business and Professions Code proposed by both this bill and AB 48. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 101 of the Business and Professions Code, (3) SB 819 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 48, in which case Sections 1, 1.2, and 1.3 of this bill shall not become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 101 of the Business and Professions Code proposed by both this bill and SB 819. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 101 of the Business and Professions Code, (3) AB 48 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 819, in which case Section 101 of the Business and Professions Code as amended by SB 819, shall remain operative only until the operative date of this bill, at which time Section 1.2 of this bill shall become operative, and Sections 1, 1.1, and 1.3 of this bill shall not become operative.

(c) Section 1.3 of this bill incorporates amendments to Section 101 of the Business and Professions Code proposed by this bill, AB 48, and SB 819. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2010, (2) all three bills amend Section 101 of the Business and Professions Code, and (3) this bill is enacted after AB 48, and SB 819, in which case Section 101 of the Business and Professions Code as amended by SB 819, shall remain operative only until the operative date of this bill, at which time Section 1.3 of this bill shall become operative and Sections 1, 1.1, and 1.2 of this bill shall not become operative.

SEC. 58. (a) Section 2.1 of this bill incorporates amendments to Section 149 of the Business and Professions Code proposed by both this bill and AB 48. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 149 of the Business and Professions Code, (3) SB 819 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 48, in which case Sections 2, 2.2, and 2.3 of this bill shall not become operative.

(b) Section 2.2 of this bill incorporates amendments to Section 149 of the Business and Professions Code proposed by both this bill and SB 819. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 149 of the Business and Professions Code, (3) AB 48 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 819, in which case Section 149 of the Business and Professions Code as amended by SB 819, shall remain operative only until the operative date of this bill, at which time Section 2.2 of this bill shall become operative, and Sections 2, 2.1, and 2.3 of this bill shall not become operative.

(c) Section 2.3 of this bill incorporates amendments to Section 149 of the Business and Professions Code proposed by this bill, AB 48, and SB 819. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2010, (2) all three bills amend Section 149 of the Business and Professions Code, and (3) this bill is enacted after AB 48, and SB 819 in which case Section 149 of the Business and Professions Code as amended by SB 819, shall remain operative only until the operative date of this bill, at which time Section 2.3 of this bill shall become operative and Sections 2, 2.1, and 2.2 of this bill shall not become operative.

SEC. 59. Section 4.5 of this bill incorporates amendments to Section 2530.2 of the Business and Professions Code proposed by both this bill and SB 821. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 2530.2 of the Business and Professions Code, and (3) this bill is enacted after SB 821, in which case Section 4 of this bill shall not become operative.

SEC. 60. Section 34.5 of this bill incorporates amendments to Section 3357 of the Business and Professions Code proposed by both this bill and SB 821. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 3357 of the Business and Professions Code, and (3) this bill is enacted after SB 821, in which case Section 34 of this bill shall not become operative.

SEC. 61. Section 37.5 of this bill incorporates amendments to Section 3362 of the Business and Professions Code proposed by both this bill and SB 821. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 3362 of the Business and Professions Code, and (3) this bill is enacted after SB 821, in which case Section 37 of this bill shall not become operative.

SEC. 62. Section 54.5 of this bill incorporates amendments to Section 3456 of the Business and Professions Code proposed by both this bill and SB 821. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2010, (2) each bill amends Section 3456 of the Business and Professions Code, and (3) this bill is enacted after SB 821, in which case Section 54 of this bill shall not become operative.

SEC. 63. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

**M e m o r a n d u m**

**To** : Mr. David Gau  
Chief Deputy Director (MIC 101)

**Date:** March 10, 2016

**From** : <sup>RWF</sup> Randy Ferris, Chief Counsel  
Legal Department (MIC 83)

**Subject** : **Board Meeting, March 29-30, 2016**  
**Item J - Chief Counsel's Rulemaking Calendar**  
**Regulation 1506, *Miscellaneous Service Enterprises***

We request your approval to place proposed changes to Sales and Use Tax Regulation 1506, *Miscellaneous Service Enterprises*, on the Chief Counsel's Rulemaking Calendar for the March 29-30, 2016, Board meeting. The changes update the name of the entity within the Department of Consumer Affairs (DCA) responsible for licensing persons who dispense hearing aids, and also make non-substantive formatting revisions.

The entity within the DCA responsible for licensing persons as hearing aid dispensers was previously known as the Hearing Aid Dispensers Examining Committee. Assembly Bill No. 1535 (Stats. 2009, ch. 309) merged this committee into an existing DCA board to create a new entity in the DCA, the Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board, effective January 1, 2010, which is responsible for licensing persons as hearing aid dispensers. (See ch. 5.3 of div. 2 (commencing with § 2530) of the Business & Professions Code.) The proposed changes to subdivision (g) of the regulation reflect the change in the name of the entity in the DCA responsible for licensing persons as hearing aid dispensers.

In addition, subdivision (g) of the regulation is currently formatted as two paragraphs. However, the second paragraph only has one sentence and that sentence relates to the information in the first paragraph. Therefore, the proposed changes reformat the second paragraph as the last sentence in the first paragraph in subdivision (g).

Staff will request the Board's authorization to make the changes to Sales and Use Tax Regulation 1506 under California Code of Regulations, title 1, section (Rule) 100, without the normal notice and public hearing process. The changes are appropriate for processing under Rule 100 because they make the regulation consistent with the change in the name of the entity in the DCA responsible for licensing persons as hearing aid dispensers, make a minor non-substantive formatting change, and do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

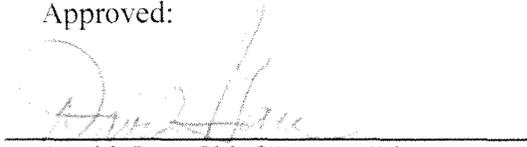
Attached is a strikeout and underlined version of the regulation illustrating the proposed changes.

If you have any questions regarding this request, please let me know or contact Mr. Bradley Heller at 916-323-3091.

Recommendation by:

  
Randy Ferris, Chief Counsel

Approved:

  
David Gau, Chief Deputy Director

Approved:

  
Lynn Bartolo, Acting Deputy Director  
Sales and Use Tax Department

BOARD APPROVED  
At the 3/30/16 Board Meeting

  
Joann Richmond, Chief  
Board Proceedings Division

Attachments

cc: Ms. Lynn Bartolo (MIC 43)  
Ms. Joann Richmond (MIC 80)  
Mr. Robert Tucker (MIC 82)  
Ms. Susanne Buehler (MIC 92)  
Mr. Bradley M. Heller (MIC 82)  
Ms. Kirsten Stark (MIC 50)  
Ms. Kim Rios (MIC 50)

**Regulation 1506. Miscellaneous Service Enterprises.****(a) LICENSED ARCHITECTS.**

(1) IN GENERAL. Fees paid to licensed architects for their ability to design, conceive or communicate ideas, concepts, designs, and specifications are not subject to tax. Any plans, specifications, renderings or models or other instruments of service provided by a licensed architect under a licensed architect's contract or commission are integral to the licensed architect's services and are not subject to tax. The licensed architect is the consumer of any tangible personal property, including plans, specifications, renderings or models, used or transferred in the performance of professional services notwithstanding the fact that a fee may be added to the cost of the property and separately stated on a billing to the customer. If after the completion of the contract or commission the licensed architect provides additional copies of the original plans or specifications, or any models or renderings of an existing structure, the architect is regarded as making a sale of such copies, models or renderings.

(2) LICENSED ARCHITECT. A "licensed architect" is defined under the Business and Professions Code Chapter 3, Division 3, Section 5500 as follows:

"As used in this chapter, architect means a person who is licensed to practice architecture in this state under the authority of this chapter."

A licensed architect preparing or being in responsible control of plans, specifications, and instruments of service is required to affix to those plans, specifications, and instruments of service their stamp or seal which bears the licensee's name, his or her license number, the legend "Licensed Architect" and the legend "State of California," and which shall provide a means of indicating the renewal date of the license.

(3) ARCHITECTURAL PERSPECTIVISTS AND MODELERS. Architectural perspectivists do not act as "licensed architects." Architectural perspectivists are the retailers of renderings, prints and drawings they provide to architects or other consumers and tax applies to their entire charge for such items. Modelers do not act as "licensed architects." Modelers are the retailers of models they provide to architects or other consumers, and tax applies to their entire charge for such items.

(4) Licensed architects who produce renderings, prints, drawings or models pursuant to a contract that includes professional architectural services are not retailers of the renderings, prints, drawings or models they provide pursuant to that contract for architectural services. Tax does not apply to their charge for such items.

**(b) BARBERS, BEAUTY SHOP OPERATORS, AND SHOE POLISHERS** Barbers, beauty shop operators, and shoe polishers are the consumers of the supplies and other property used in performing their services, and tax applies with respect to the sale to them of the supplies and other property. They are retailers, however, of supplies, used articles, or other tangible personal property, which they sell to customers in the regular course of business, and tax applies to the gross receipts from such sales.

**(c) CLOTHES CLEANERS AND DYERS**

(1) CLOTHES CLEANING – IN GENERAL. Persons who provide clothes-cleaning services are consumers of the supplies and other materials used in performing their cleaning services, and tax applies to the sale to them of the supplies and other materials and not to their charges for such services.

(2) RENTALS. Clothes cleaners are the consumers of linen supplies and similar articles, including towels, uniforms, coveralls, shop coats, dust cloths, and similar items, rented to others when an essential part of the rental contract is the furnishing of the recurring service of laundering or cleaning of the articles rented, and tax applies with respect to the sale to them of such articles.

(3) CLOTHES DYEING – IN GENERAL. Persons who provide dyeing services are retailers, not consumers, when their charges are for the dyeing of new fabrics, garments, or other such items and tax applies to their gross receipts from such sales. Persons who dye new items are required to hold a seller's permit.

Dyers are consumers of the supplies and other materials used in dyeing used fabrics, garments, or other such items and tax applies to the sale to them of the supplies and other materials and not to their charges for their dyeing services.

(4) ALTERATION OF GARMENTS – IN GENERAL. For the purposes of this subdivision (c), alteration of garments means and includes any work performed upon new or used men's, women's and children's clothing to meet the requirements of the customer whether the work involves the addition of material to the garment, removal of material, refitting, or repairing. Alteration of garments does not mean or include the process of dyeing garments. Alteration of garments also does not mean or include work performed upon new or used personal and household items such as handbags, stuffed animals, bedding, and draperies. The application of tax to a clothes cleaner's or a dyer's charges for the alteration of personal or household items is explained in Regulation 1524.

**(A) Alteration of Garments by Clothes Cleaning or Dyeing Establishments.** A clothes cleaning or dyeing establishment, including wet cleaners (e.g., launderers) and dry cleaners, means and includes a clothes cleaner or dyer who (1) operates a location or locations as a pickup and delivery point for garment cleaning, or (2) provides spotting and pressing services on the premises, but not garment cleaning, or (3) operates a garment cleaning or dyeing plant on the premises.

A clothes cleaner or dyeing establishment described above is the consumer of property used or furnished in the alteration of new or used garments provided that:

1. Seventy-five percent (75%) or more of the establishment's total gross receipts represent charges for garment cleaning or dyeing services, and

2. No more than twenty percent (20%) of the establishment's total gross receipts during the preceding calendar year were from the alteration of garments.

If a clothes cleaner or dyer is not an establishment as described or does not meet the requirements of this paragraph (A), tax applies to the clothes cleaner's or the dyer's charges for the alteration of garments as explained in Regulation 1524.

**(B) Alteration of Garments by a Third Party.** When a clothes cleaner or dyer who meets the requirements of subdivision (c)(4)(A) contracts with a third party such as a tailor for the alteration of garments instead of performing such alterations itself, the clothes cleaner or dyer is a consumer, not a retailer, of the alterations provided by the third party and may not issue a resale certificate to the third party for such alterations. Tax applies to the third party's charges to the clothes cleaner or dyer for such alterations as explained in Regulation 1524.

(5) MISCELLANEOUS SALE OF ITEMS. Clothes cleaners and dyers, whether or not they meet the requirements of subdivision (c)(4)(A), are retailers of any supplies, used items, or other

tangible personal property such as lint brushes, abandoned garments, wood hangers, or novelty items, which they sell to customers in the regular course of business, and tax applies to the gross receipts from such sales. As retailers of tangible personal property, such persons are required to hold a seller's permit.

**(d) CIRCULATING LIBRARIES.** When circulating libraries, which are engaged in the business of renting books to others, pay tax measured by the purchase price of such books either to the person from whom the books are purchased or to the board, tax does not apply to the amount charged for the rental of such books. Such libraries are retailers of new or used books, which they sell to consumers in the regular course of business, and tax applies to the gross receipts from such sales.

**(e) DENTISTS AND DENTAL LABORATORIES.** Dentists are consumers of the materials, supplies, dental laboratory products and other tangible personal property which they use in performing their services. Tax, accordingly, applies to the sale of the tangible personal property to them.

Dental laboratories are the retailers of the plates, inlays and other products which they manufacture for dentists or other consumers. Tax applies to their entire charges for such products regardless of whether a separate charge or billing is made for materials and manufacturing services.

**(f) GUN CLUBS.** Gun clubs are consumers, not retailers, of clay pigeons or blue rocks furnished to members or patrons in connection with trapshooting or similar sports even though the charge for the service is measured by the number of clay pigeons or blue rocks used. The tax applies with respect to the sale of such property to the clubs.

**(g) LICENSED HEARING AID DISPENSERS.** Persons licensed as hearing aid dispensers by the Department of Consumer Affairs, ~~Hearing Aid Dispensers Examining Committee~~ Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board, are consumers of hearing aids furnished or sold by them. The term "hearing aid" includes any necessary accessory or component part of the hearing aid which is fully worn on the body of the user such as cords, connector tubing, ear molds, or batteries, whether the part is sold or furnished separately or in conjunction with the hearing aid. The term also includes replacement and repair parts. Tax applies with respect to the sale of such products to licensed hearing aid dispensers. Tax applies to the retail sale of such products by persons who are not licensed hearing aid dispensers.

**(h) ORGANIZED CAMPS.**

(1) CAMPS IN GENERAL. The tax applies to gross receipts from the sale of meals or other tangible personal property at camps, whether operated by municipal or private corporations, or other parties.

(2) CAMPS QUALIFYING AS SCHOOLS OR EDUCATIONAL INSTITUTIONS. When a camp qualifies as a school or educational institution, the camp's sales of student meals are not subject to tax. If a camp meets all of the following conditions, the camp will qualify as a school or educational facility for purposes of this regulation:

- (A) The camp conducts regularly scheduled classes,
- (B) Students are required to attend the classes,
- (C) Qualified instructors are in charge of the classes, and

(D) The camp is an “organized camp” as defined in California Health and Safety Code section 18897.

An example of a camp that qualifies as a school or education institution includes, but is not limited to the following: A camp offers a session where campers have a schedule of daily activities they are required to attend. These activities include team-building exercises, guided nature hikes, and wilderness survival techniques. The activities are led by staff that the camp determined to have sufficient training and experience to lead the activities.

An example of a camp that does not qualify as a school or educational institution includes, but is not limited to the following: A camp offers a session that includes activities that are regularly scheduled. Participants are required to attend a camp orientation on the first day, but during the rest of the camp they can attend as many of the scheduled activities as they want, or they can elect to attend no activities.

If a single charge is made for all of the privileges extended by the camp, a segregation must be made on that portion of the total charge representing taxable receipts from the sale of meals or other tangible personal property. In the absence of such a segregation, the taxable receipts from the sale of meals or other tangible personal property shall be determined by the board based on information available to it.

**(i) TAXIDERMISTS.** Taxidermists are consumers of the materials used in repairing, stuffing and mounting skins, heads, etc., of animals, birds, fish, and the like furnished by their customers, and tax applies with respect to the sale of such property to them. If, however, a separate charge for such property is made on the invoices to the customers at the fair retail selling price, the taxidermist is the retailer of the property and tax applies to such separate charge.

Tax applies to retail sales by taxidermists of skins, heads, mountings or other tangible personal property.

**(j) LICENSED VETERINARIANS.**

(1) DEFINITIONS. As used herein:

**(A)** The term “licensed veterinarian” means any person licensed as a veterinarian by the California Department of Consumer Affairs, Board of Examiners in Veterinary Medicine.

**(B)** The term “drugs and medicines” includes substances or preparations intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals and which is commonly recognized as a substance or preparation intended for this use. The term includes legend drugs, pills and capsules (other than vitamins), liquid medications, injected drugs, ointments, vaccines, intravenous fluids, and medicated soaps if those soaps are available only to veterinarians. The term does not include vitamins, shampoos, pet foods, prescription diet foods, artificial diets, flea powders, and flea sprays.

**(C)** The term “professional services” includes the diagnosis and treatment of disease or trauma in animal life. It also includes the administration of drugs and medicines by means of, for example, injection, intravenous solution, or oral or bodily application.

(2) APPLICATION OF TAX.

**(A)** Licensed veterinarians are consumers of drugs and medicines which they use or furnish in the performance of their professional services. Accordingly, tax does not apply to a licensed veterinarian’s charges to clients for such drugs and medicines, whether or not separately stated. Licensed veterinarians are also consumers of tangible personal property, other than drugs

and medicines, which they use or which they furnish to clients without a separately stated charge. Tax applies to the sale of such drugs, medicines and other items to licensed veterinarians except:

1. Operative April 1, 1996, drugs or medicines which are purchased to be administered to animal life as an additive to feed or drinking water of food animals (as defined in Regulation 1587 (18 CCR 1587), "Animal Life, Feed, Drugs and Medicines") or of non-food animals which are being held for sale in the regular course of business, and the primary purpose of the drugs or medicines is the prevention and control of disease, or

2. Operative January 1, 1997, drugs or medicines which are purchased to be administered directly (e.g., orally, by injection, or by application to the body) to food animals and the primary purpose of the drugs or medicines is the prevention or control of disease of the food animals. Veterinarians remain consumers of drugs and medicines administered directly to non-food animals.

**(B)** Licensed veterinarians are retailers of drugs and medicines which they furnish for a consideration without performing specific related professional services. Licensed veterinarians are also retailers of tangible personal property, other than drugs and medicines, which they furnish to clients for a separately stated charge. Unless otherwise exempt, tax applies to charges made by licensed veterinarians to clients for such drugs, medicines and other items. See Regulation 1587(18 CCR 1587), "Animal Life, Feed, Drugs and Medicines" for exemption for sales of feed, drugs, or medicines for certain animals. Tax applies to separately stated charges made for X-rays if the X-rays are delivered to clients.

*Note:* Authority cited: Section 7051, Revenue and Taxation Code. *References:* Sections 6006, 6007, 6015, 6018.1, 6018.7, 6358, 6358.4 and 6363, Revenue and Taxation Code.

Wednesday, March 30, 2016

The Board met at its offices at 450 N Street, Sacramento, at 1:21 p.m. with Ms. Ma, Chairwoman, Ms. Harkey, Vice Chair, Mr. Runner and Mr. Horton present, Ms. Stowers present on behalf of Ms. Yee in accordance with Government Code section 7.9.

## CHIEF COUNSEL MATTERS

### RULEMAKING

#### **Sales and Use Tax Regulation 1506, *Miscellaneous Service Enterprises***

Bradley Heller, Tax Counsel, Tax and Fee Programs Division, Legal Department, made introductory remarks regarding staff's request for authorization to complete section 100 changes to update the name of the entity within the Department of Consumer Affairs responsible for licensing persons who dispense hearing aids ([Exhibit 3.2](#)).

Action: Upon motion of Mr. Runner, seconded by Mr. Horton and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board approved the request for authorization to complete section 100 changes as recommended by staff.

Exhibits to these minutes are incorporated by reference.

### OTHER CHIEF COUNSEL MATTERS

#### ***Lucent Technologies, Inc. v. State Board of Equalization and Sales and Use Tax Regulations 1502, Computers, Programs, and Data Processing, and 1507, Technology Transfer Agreements***

Robert Tucker, Assistant Chief Counsel, Tax and Fee Programs Division, Legal Department, and Randy Ferris, Chief Counsel, made introductory remarks regarding potential rulemaking and other possible administrative actions necessary to appropriately implement *Lucent Technologies, Inc. v. State Bd. of Equalization* (2015) 241 Cal.App.4th 19 ([Exhibit 3.3](#)).

Speakers: Therese Twomey, California Taxpayers' Association.

Action: Upon motion of Ms. Harkey, seconded by Mr. Horton and unanimously carried, Ms. Ma, Ms. Harkey, Mr. Runner, Mr. Horton and Ms. Stowers voting yes, the Board referred the implementation of Lucent to the Business Tax Committee; authorized staff to issue a special notice that would specify what Lucent is dispositive with respect to; and referred the non-dispositive fact patterns of Lucent to the Business Tax Committee interested parties process, as recommended by staff.

BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION

450 N STREET

SACRAMENTO, CALIFORNIA

REPORTER'S TRANSCRIPT

MARCH 30, 2016

CHIEF COUNSEL MATTERS

J RULEMAKING

J1 SALES AND USE TAX REGULATION 1506, MISCELLANEOUS

SERVICE ENTERPRISES

REPORTED BY: Kathleen Skidgel

CSR NO. 9039

P R E S E N T

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

For the Board  
of Equalization:

Fiona Ma, CPA  
Chairwoman

Diane L. Harkey  
Vice Chair

Jerome E. Horton  
Member

Sen. George Runner (Ret.)  
Member

Yvette Stowers  
Appearing for Betty T.  
Yee, State Controller  
(per Government Code  
Section 7.9)

Joann Richmond  
Chief  
Board Proceedings  
Division

For Board of  
Equalization Staff:

Bradley Heller  
Tax Counsel IV  
Legal Department

---oOo---

1 450 N STREET  
2 SACRAMENTO, CALIFORNIA  
3 MARCH 30, 2016

4 ---oOo---

5 MS. MA: Okay. Good afternoon. We are  
6 going to reconvene the meeting of the State Board of  
7 Equalization.

8 Ms. Richmond, will you please call the roll  
9 to determine a quorum is present.

10 MS. RICHMOND: Chairwoman Ma.

11 MS. MA: Here.

12 MS. RICHMOND: Ms. Harkey.

13 MS. HARKEY: Here.

14 MS. RICHMOND: Mr. Horton.

15 MR. HORTON: Here.

16 MS. RICHMOND: Mr. Runner.

17 MR. RUNNER: Here.

18 MS. RICHMOND: Ms. Stowers.

19 MS. STOWERS: Here.

20 MS. MA: Thank you. Seeing a quorum is  
21 present, Ms. Richmond please introduce our next  
22 item.

23 MS. RICHMOND: Our next item on this  
24 afternoon's agenda is Chief Counsel Matters. Item J  
25 Rulemaking. Item J1 Sales and Use Tax Regulation  
26 1506, Miscellaneous Service Enterprises.

27 MS. MA: Okay, thank you.

28 Mr. Heller, please proceed. Please

1 introduce yourself for the record and proceed with  
2 your presentation.

3 MR. HELLER: Thank you, Chairwoman Ma,  
4 Members of the Board. I'm Bradley Heller from the  
5 Board's Legal Department, and I'm here to request  
6 that the Board authorize staff to complete Rule 100  
7 changes to Regulation 1506, Miscellaneous Service  
8 Enterprises, to update the name of the entity within  
9 the Department of Consumer Affairs responsible for  
10 licensing persons who dispense hearing aids.

11 MS. MA: Thank you. Seeing no one from the  
12 public, Members?

13 MR. RUNNER: Move to adopt the changes.

14 MR. HORTON: Second.

15 MS. MA: Okay. Mr. Runner moves to adopt  
16 the changes. Seconded by Mr. Horton.

17 Without objection, motion carries.

18 ---oOo---

19

20

21

22

23

24

25

26

27

28

REPORTER'S CERTIFICATE

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

State of California )  
 ) ss  
County of Sacramento )

I, Kathleen Skidgel, Hearing Reporter for the California State Board of Equalization certify that on March 30, 2016 I recorded verbatim, in shorthand, to the best of my ability, the proceedings in the above-entitled hearing; that I transcribed the shorthand writing into typewriting; and that the preceding pages 1 through 4 constitute a complete and accurate transcription of the shorthand writing.

Dated: April 7, 2016

*Kathleen Skidgel*

KATHLEEN SKIDGEL, CSR #9039

Hearing Reporter

