Attached for your review are the quarterly performance statistics. Processing times represent an average for the quarter.

**Board Staffing**

The Board staff is comprised of 44 positions. Currently, we are experiencing a 30% vacancy rate; a total of nine positions. Recruitment efforts within the constraints of the hiring freeze often result in a very limited applicant pool to select from. To expand our recruitment efforts the Board submitted three requests for a hiring freeze exemption. The exemption from the hiring freeze allows the Board to expand its recruitment efforts to applicants from other agencies and current state lists.

Two of our three requests were approved. The Board received exemptions to hire four staff for the LPCC program and one clerical position in the fingerprinting program. The third request for a position in our cashiering unit remains pending. Efforts to fill these vacancies are underway.

**Licensing and Examination Program**

The Licensing and Examination Program is responsible for evaluating registrant, examination, continuing education provider, and initial licensing applications for all of the Board’s license types. Existing vacancies in this program include a Licensed Educational Psychologist evaluator and a fingerprint technician. Board management has prioritized and reassigned a number of the duties associated with these vacancies to existing staff. The additional workload has impacted all licensing and examination programs.

Current processing times are noted below. Figures are as of June 30, 2011 and reflect the processing time for June.

<table>
<thead>
<tr>
<th>License type</th>
<th>Processing Times</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFT Intern</td>
<td>29 days</td>
</tr>
<tr>
<td>MFT Examination</td>
<td>163 days</td>
</tr>
<tr>
<td>ASW</td>
<td>40 days</td>
</tr>
<tr>
<td>LCSW Examination</td>
<td>72 days</td>
</tr>
<tr>
<td>LEP Examination</td>
<td>175 days</td>
</tr>
<tr>
<td>CE Provider</td>
<td>72 days</td>
</tr>
</tbody>
</table>

**Administration Program**

The departure of our recently hired cashier has seriously impacted the processing time for all applications. Consequently, all applicants are experiencing at least a six week delay to renew their license or registration as well as process examination and initial licensure applications.

**Enforcement Program**

Two vacancies currently exist within the Enforcement Unit. This unit has the responsibility to review, investigate all consumer complaints and criminal arrest notifications, subsequent disciplinary action, and probation monitoring. The Consumer Complaint Intake desk is currently vacant in addition to the Field Investigator position. The critical workload associated with these positions is being reassigned to existing staff. Interviews were held to fill the LPCC position to
review all LPCC criminal convictions. The Board anticipates this new staff member will start in September.

**Licensed Professional Clinical Counselors**

On July 26, 2011 applications for the Licensed Professional Clinical Counselors were posted to the Board’s website. On August 1, 2011, Governor Brown signed Senate Bill 274 which extends the grandparent application period until December 31, 2011.

**Board Facilities**

Construction was completed late May. The renovations provide the Board with a larger file room, a secure cashiering room, and room for future growth.

**Board Outreach Program**

Although this program is significantly reduced, staff was able to participate in two Marriage and Family Therapist Consortium meetings. One meeting was held locally in Sacramento and the other was conducted via telephone conference.

**Customer Satisfaction Survey**

The impact of existing vacancies is directly reflected in the Customer Satisfaction Survey Report.

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Quarter Rating (2nd Qtr.)</th>
<th>Previous Quarter Rating (1st Qtr.)</th>
<th>Prior Year Rating (2nd Qtr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Satisfaction</td>
<td>2.9</td>
<td>2.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Successful Service</td>
<td>54.0</td>
<td>50.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Accessibility</td>
<td>2.7</td>
<td>2.6</td>
<td>2.9</td>
</tr>
<tr>
<td>Courtesy</td>
<td>3.6</td>
<td>3.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

**Executive Orders**

On April 26, 2011, Governor Brown issued Executive Order B-06-11, which restricts in-state and out-of-state travel. Specifically, no travel will be permitted unless it is mission critical or at no cost to the state. Mission critical travel is defined as travel directly related to enforcement responsibilities, auditing, revenue collection, a function required by statute, contract or executive directive, and job required training necessary to maintain licensure or similar standards required for holding a position. The Board will continue to evaluate all travel for compliance with the Executive Order and its statutory mandates.

On February 14, 2011, Executive Order B-3-11 implemented the hiring freeze. The order also specified that Departments that achieve their target budget reductions, as determined by the Director of the Department of Finance, will be exempted from the provisions of the executive order. Recently the Board received information regarding its target budget restrictions. To this end, all DCA Boards and Bureaus are reviewing their budgets to submit a plan for meeting their budget reduction. Once the plans are approved by the Department of Finance, DCA will not be subject to the provisions of the hiring freeze. To ensure compliance with the submitted plans, Boards and Bureaus are required to submit updates to the Department of Finance beginning in October.
Board of Behavioral Sciences
Quarterly Statistical Report - as of June 30, 2011

Introduction
This report provides statistical information relating to various aspects of the Board’s business processes. Statistics are grouped by unit. The report relies predominantly on tables with accompanying “sparkbars,” which are small graphs displaying trend over time.

Reading the Report

Cashiering Unit
The Board’s Cashiering Unit processes license renewals and applications. The approximately 85% of renewal processing occurs in the Department of Consumer Affairs Central Cashiering Unit.

<table>
<thead>
<tr>
<th>Renewals Processed In-House</th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total/Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed</td>
<td>1681</td>
<td>1524</td>
<td>1509</td>
<td>1571</td>
<td>1898</td>
<td>1587</td>
<td>1581</td>
<td>2267</td>
<td>13618</td>
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<tr>
<td>Received</td>
<td>1580</td>
<td>1449</td>
<td>1336</td>
<td>1374</td>
<td>1665</td>
<td>1487</td>
<td>1124</td>
<td>2015</td>
<td>12030</td>
</tr>
<tr>
<td>Proc Time</td>
<td>9</td>
<td>9</td>
<td>11</td>
<td>12</td>
<td>8</td>
<td>10</td>
<td>22</td>
<td>23</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ATS Cashiering Items (e.g. exam eligibility apps, registration apps, etc)</th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total/Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed</td>
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<td>4400</td>
<td>4624</td>
<td>5161</td>
<td>5864</td>
<td>4696</td>
<td>4279</td>
<td>5650</td>
<td>40128</td>
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<tr>
<td>Received</td>
<td>5362</td>
<td>4446</td>
<td>4752</td>
<td>5207</td>
<td>5742</td>
<td>4611</td>
<td>4512</td>
<td>5315</td>
<td>39947</td>
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<tr>
<td>Proc Time</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>10</td>
<td>12</td>
<td>9</td>
<td>7</td>
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</table>

<table>
<thead>
<tr>
<th>Initial Licenses Issued*</th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total/Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCS</td>
<td>265</td>
<td>227</td>
<td>195</td>
<td>172</td>
<td>191</td>
<td>209</td>
<td>173</td>
<td>319</td>
<td>1751</td>
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<tr>
<td>LEP</td>
<td>34</td>
<td>21</td>
<td>14</td>
<td>12</td>
<td>36</td>
<td>12</td>
<td>13</td>
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</tr>
<tr>
<td>MFT</td>
<td>305</td>
<td>302</td>
<td>314</td>
<td>352</td>
<td>342</td>
<td>409</td>
<td>221</td>
<td>456</td>
<td>2701</td>
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<tr>
<td>PCE</td>
<td>72</td>
<td>68</td>
<td>54</td>
<td>65</td>
<td>66</td>
<td>38</td>
<td>59</td>
<td>42</td>
<td>464</td>
</tr>
</tbody>
</table>

*For MFT Intern and ASW registration statistics, please reference the Licensing Unit portion of the report.
### Enforcement Unit

The Board’s Enforcement Unit investigates consumer complaints and reviews prior and subsequent arrest reports for registrants and licensees. The pending total is a snapshot of all pending items at the close of a quarter.

#### Complaint Intake *

<table>
<thead>
<tr>
<th>Complaints</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>265</td>
<td>247</td>
<td>261</td>
<td>242</td>
<td>210</td>
<td>259</td>
<td>1484</td>
</tr>
<tr>
<td>Closed without Assignment for Investigation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Assigned for Investigation</td>
<td>264</td>
<td>247</td>
<td>261</td>
<td>242</td>
<td>210</td>
<td>259</td>
<td>1483</td>
</tr>
<tr>
<td>Average Days to Close or Assigned for Investigation</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Pending</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tbody>
</table>

#### Convictions/Arrest Reports

<table>
<thead>
<tr>
<th>Convictions/Arrest Reports</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>259</td>
<td>289</td>
<td>315</td>
<td>258</td>
<td>228</td>
<td>207</td>
<td>1556</td>
</tr>
<tr>
<td>Closed / Assigned for Investigation</td>
<td>259</td>
<td>290</td>
<td>315</td>
<td>258</td>
<td>228</td>
<td>208</td>
<td>1558</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Pending</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</table>

#### Investigation**

**Desk Investigation**

<table>
<thead>
<tr>
<th>Desk Investigation</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned</td>
<td>523</td>
<td>537</td>
<td>576</td>
<td>500</td>
<td>438</td>
<td>467</td>
<td>3041</td>
</tr>
<tr>
<td>Closed</td>
<td>424</td>
<td>549</td>
<td>433</td>
<td>394</td>
<td>495</td>
<td>580</td>
<td>2875</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>104</td>
<td>91</td>
<td>115</td>
<td>124</td>
<td>135</td>
<td>140</td>
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</tr>
<tr>
<td>Pending</td>
<td>596</td>
<td>583</td>
<td>707</td>
<td>813</td>
<td>752</td>
<td>634</td>
<td>634</td>
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</table>

**Field Investigation (Non-Sworn)**

<table>
<thead>
<tr>
<th>Field Investigation (Non-Sworn)</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned</td>
<td>15</td>
<td>10</td>
<td>11</td>
<td>3</td>
<td>8</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Closed</td>
<td>9</td>
<td>11</td>
<td>24</td>
<td>14</td>
<td>10</td>
<td>14</td>
<td>82</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>380</td>
<td>424</td>
<td>371</td>
<td>372</td>
<td>386</td>
<td>416</td>
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<tr>
<td>Pending</td>
<td>55</td>
<td>53</td>
<td>42</td>
<td>30</td>
<td>28</td>
<td>17</td>
<td>17</td>
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</table>

**Field Investigation (Sworn)**

<table>
<thead>
<tr>
<th>Field Investigation (Sworn)</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assigned</td>
<td>1</td>
<td>3</td>
<td>9</td>
<td>6</td>
<td>2</td>
<td>12</td>
<td>33</td>
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<td>Closed</td>
<td>7</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>4</td>
<td>6</td>
<td>33</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>786</td>
<td>591</td>
<td>927</td>
<td>518</td>
<td>362</td>
<td>450</td>
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<tr>
<td>Pending</td>
<td>20</td>
<td>17</td>
<td>22</td>
<td>20</td>
<td>18</td>
<td>24</td>
<td>24</td>
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</tbody>
</table>

**All Investigations**

<table>
<thead>
<tr>
<th>All Investigations</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Assignments</td>
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<td>537</td>
<td>576</td>
<td>500</td>
<td>438</td>
<td>467</td>
<td>3044</td>
</tr>
<tr>
<td>Closed</td>
<td>440</td>
<td>566</td>
<td>461</td>
<td>414</td>
<td>509</td>
<td>600</td>
<td>2990</td>
</tr>
<tr>
<td>Average Days to Close</td>
<td>119</td>
<td>103</td>
<td>135</td>
<td>138</td>
<td>142</td>
<td>149</td>
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<tr>
<td>Pending</td>
<td>671</td>
<td>653</td>
<td>771</td>
<td>863</td>
<td>798</td>
<td>675</td>
<td>675</td>
</tr>
</tbody>
</table>
**Enforcement Actions**

This section does not include subsequent discipline on a license.

<table>
<thead>
<tr>
<th></th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>AG Cases Initiated</td>
<td>20</td>
<td>29</td>
<td>35</td>
<td>19</td>
<td>22</td>
<td>41</td>
<td>166</td>
</tr>
<tr>
<td>AG Cases Pending</td>
<td>147</td>
<td>147</td>
<td>153</td>
<td>155</td>
<td>138</td>
<td>157</td>
<td>157</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q111</th>
<th>Q211</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOIs Filed</td>
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<td>6</td>
</tr>
<tr>
<td>Accusations Filed</td>
<td>12</td>
<td>26</td>
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<table>
<thead>
<tr>
<th></th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed/Default Decisions</td>
<td>3</td>
<td>5</td>
<td>11</td>
<td>11</td>
<td>12</td>
<td>5</td>
<td>47</td>
</tr>
<tr>
<td>Adopted</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Stipulations Adopted</td>
<td>6</td>
<td>18</td>
<td>12</td>
<td>11</td>
<td>12</td>
<td>14</td>
<td>73</td>
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</table>

<table>
<thead>
<tr>
<th>Disciplinary Orders</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Orders (Proposed</td>
<td>9</td>
<td>23</td>
<td>23</td>
<td>22</td>
<td>24</td>
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<tr>
<td>Decisions, Stipulations)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Days to Complete***</td>
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<td>743</td>
<td>792</td>
<td>729</td>
<td>911</td>
<td>776</td>
<td>+</td>
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<table>
<thead>
<tr>
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<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
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</thead>
<tbody>
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<td>20</td>
<td>18</td>
<td>9</td>
<td>15</td>
<td>178</td>
</tr>
<tr>
<td>Average Days to Complete****</td>
<td>88</td>
<td>89</td>
<td>294</td>
<td>293</td>
<td>306</td>
<td>269</td>
<td>+</td>
</tr>
</tbody>
</table>

**Complaint Intake**
Complaints Received by the Program. Measured from date received to assignment for investigation or closure without action.

**Investigations**
Complaints investigated by the program whether by desk investigation or by field investigation. Measured by date the complaint is received to the date the complaint is closed or referred for enforcement action. If a complaint is never referred for Field Investigation, it will be counted as ‘Closed’ under Desk Investigation. If a complaint is referred for Field Investigation, it will be counted as ‘Closed’ under Non-Sworn or Sworn.

**Disciplinary Orders Average Days to Complete***
Measured by the date the complaint is received to the date the order became effective.

**Citations****
Measured by the date the complaint is received to the date the citation was issued.
+ unable to capture average data for more than a 12 month cycle

**Licensing Unit**
The Board’s Licensing Unit evaluates applications for registration and examination eligibility. This involves verifying educational and experiential qualifications to ensure they meet requirements defined in statute and regulation.

**LCSW Examination Eligibility Applications**

<table>
<thead>
<tr>
<th></th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total/Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td>406</td>
<td>[298</td>
<td>406</td>
<td>]</td>
<td>312</td>
<td>312</td>
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<td>Approved</td>
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<td>]</td>
<td>279</td>
<td>269</td>
<td>318</td>
<td>386</td>
<td>249</td>
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<tr>
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<td>[15</td>
<td>40</td>
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<td>18</td>
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### MFT Examination Eligibility Applications

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<tr>
<th></th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
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<th>Total/Avg</th>
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<td>Received</td>
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### LEP Examination Eligibility Applications

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### ASW Registration Applications

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<td>Proc Time</td>
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<td>Proc Time Less Def Lapse</td>
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### MFT Intern Registration Applications

<table>
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<tr>
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<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total/Avg</th>
</tr>
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<tbody>
<tr>
<td>Received</td>
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<tr>
<td>Proc Time</td>
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<td>Proc Time Less Def Lapse</td>
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</tr>
</tbody>
</table>
**Examination Unit**
The Board’s Examination Unit processes complaints and performs other administrative functions relating to the Board’s examination processes.

### Exam Administration

<table>
<thead>
<tr>
<th></th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Total Exams Administered</td>
<td>2207</td>
<td>2024</td>
<td>1795</td>
<td>2237</td>
<td>1988</td>
<td>2057</td>
<td>1887</td>
<td>2162</td>
<td>16357</td>
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<tr>
<td>LCSW Written</td>
<td>373</td>
<td>461</td>
<td>450</td>
<td>537</td>
<td>401</td>
<td>475</td>
<td>506</td>
<td>526</td>
<td>3729</td>
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<tr>
<td>LCSW CV</td>
<td>372</td>
<td>413</td>
<td>306</td>
<td>384</td>
<td>332</td>
<td>384</td>
<td>370</td>
<td>415</td>
<td>2976</td>
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<td>MFT Written</td>
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<td>556</td>
<td>514</td>
<td>663</td>
<td>621</td>
<td>517</td>
<td>541</td>
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<td>MFT CV</td>
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<td>556</td>
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<td>568</td>
<td>650</td>
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<td>575</td>
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<td>LEP</td>
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<td>42</td>
<td>66</td>
<td>31</td>
<td>29</td>
<td>40</td>
<td>324</td>
</tr>
</tbody>
</table>

### Customer Satisfaction Survey
The Board maintains a Web based customer satisfaction survey. The average scores are reported on a scale from 1 to 5.

<table>
<thead>
<tr>
<th></th>
<th>Q309</th>
<th>Q409</th>
<th>Q110</th>
<th>Q210</th>
<th>Q310</th>
<th>Q410</th>
<th>Q111</th>
<th>Q211</th>
<th>Avg</th>
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</thead>
<tbody>
<tr>
<td>Overall Satisfaction</td>
<td>3.7</td>
<td>3.4</td>
<td>3.4</td>
<td>3.1</td>
<td>3.6</td>
<td>2.4</td>
<td>2.9</td>
<td>2.9</td>
<td>3.2</td>
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<tr>
<td>Courtesy</td>
<td>4.1</td>
<td>4.0</td>
<td>3.9</td>
<td>3.6</td>
<td>4.1</td>
<td>3.5</td>
<td>3.9</td>
<td>3.6</td>
<td>3.8</td>
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<td>Accessibility</td>
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<td>3.2</td>
<td>3.2</td>
<td>2.9</td>
<td>3.5</td>
<td>2.0</td>
<td>2.6</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Successful Service</td>
<td>72</td>
<td>68</td>
<td>61</td>
<td>57</td>
<td>71</td>
<td>35</td>
<td>50</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total Respondents</strong></td>
<td>232</td>
<td>188</td>
<td>213</td>
<td>178</td>
<td>176</td>
<td>132</td>
<td>172</td>
<td>118</td>
<td>176</td>
</tr>
</tbody>
</table>
Performance Measures

Q4 Report *(April - June 2011)*

To ensure stakeholders can review the Board’s progress in meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures will be posted publicly on a quarterly basis.

In future reports, the Department will request additional measures, such as consumer satisfaction. These measures are being collected internally at this time and will be released once sufficient data is available.

### Volume

**Number of complaints and convictions received.**

**Q4 Total: 466**  
*Complaints: 259  Convictions: 207*

**Q4 Monthly Average: 155**

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>177</td>
<td>143</td>
<td>146</td>
</tr>
</tbody>
</table>

### Intake

**Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.**

**Target: 5 Days**

**Q4 Average: 4 Days**

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Actual</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
**Intake & Investigation**

Average cycle time from complaint receipt to closure of the investigation process. Does not include cases sent to the Attorney General or other forms of formal discipline.

**Target:** 180 Days

**Q4 Average:** 131 Days

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>180</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>Actual</td>
<td>116</td>
<td>144</td>
<td>134</td>
</tr>
</tbody>
</table>

**Formal Discipline**

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Bureau, and prosecution by the AG.)

**Target:** 540 Days

**Q4 Average:** 776 Days

<table>
<thead>
<tr>
<th></th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>540</td>
<td>540</td>
<td>540</td>
</tr>
<tr>
<td>Actual</td>
<td>834</td>
<td>613</td>
<td>622</td>
</tr>
</tbody>
</table>

**Probation Intake**

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

**Target:** 10 Days

**Q4 Average:** 1 Day

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<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Actual</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Probation Violation Response
Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.
Target: 7 Days
Q4 Average: N/A

The Board did not handle any probation violations this quarter.

Note: Cycle times are affected by the current hiring freeze and are subject to outside agencies workload and staffing constraints.
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Performance Measures

To ensure stakeholders can review the Board’s progress in meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures are posted publicly on a quarterly basis.

This annual report represents the culmination of the first four quarters worth of data.

**Volume**
Number of complaints and convictions received.

The Board had an annual total of 1,980 this fiscal year.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Volume</th>
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</thead>
<tbody>
<tr>
<td>Q1</td>
<td>576</td>
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<tr>
<td>Q2</td>
<td>500</td>
</tr>
<tr>
<td>Q3</td>
<td>438</td>
</tr>
<tr>
<td>Q4</td>
<td>466</td>
</tr>
</tbody>
</table>

**Intake**
Average cycle time from complaint receipt, to the date the complaint was assigned to an investigator.

The Board has set a target of 5 days for this measure.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Avg. Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>5</td>
</tr>
<tr>
<td>Q2</td>
<td>4</td>
</tr>
<tr>
<td>Q3</td>
<td>5</td>
</tr>
<tr>
<td>Q4</td>
<td>4</td>
</tr>
</tbody>
</table>
**Intake & Investigation**

Average cycle time from complaint receipt to closure of the investigation process. Does not include cases sent to the Attorney General or other forms of formal discipline.

The Board has set a target of 180 days for this measure.

![Graph](image)

**Formal Discipline**

Average number of days to complete the entire enforcement process for cases resulting in formal discipline. (Includes intake and investigation by the Board, and prosecution by the AG)

The Board has set a target of 540 days for this measure.

![Graph](image)

**Probation Intake**

Average number of days from monitor assignment, to the date the monitor makes first contact with the probationer.

The Board has set a target of 10 days for this measure.

![Graph](image)
**Probation Violation Response**

Average number of days from the date a violation of probation is reported, to the date the assigned monitor initiates appropriate action.

The Board has set a target of 7 days for this measure.
CALIFORNIA STATE BOARD OF BEHAVIORAL SCIENCES

BILL ANALYSIS

BILL NUMBER: AB 1424 VERSION: JULY 12, 2011

AUTHOR: PEREA SPONSOR: AUTHOR

RECOMMENDED POSITION: NONE

SUBJECT: FRANCHISE TAX BOARD AND BOARD OF EQUALIZATION; SUSPENSION OF PROFESSIONAL LICENSE FOR UNPAID TAX DEBT

Existing Law:

1) Requires a licensee to provide a federal identification number or social security number at that time of issuance of the license and provides that the licensing entity must report to the Franchise Tax Board (FTB) any licensee that fails to comply with this requirement. (BPC §30 (a) and (b))

2) Requires specified licensing boards, including the Board of Behavioral Sciences (Board), upon request of the FTB, to furnish to the FTB the following information with the respect to every licensee: (BPC §30 (d))
   a) Name
   b) Address of record
   c) Federal employer identification number if the entity is a partnership or social security number of all others
   d) Type of license
   e) Effective date if license or renewal
   f) Expiration date of license
   g) Whether license is active, or inactive, if known
   h) Whether license is new or a renewal

3) Allows the FTB to send a notice to any licensee failing to provide the identification number or social security number as required describing the information that was missing, the penalty associated with not providing it, and that failure to provide the information within 30 days will result in the assessment of the penalty. (RTC §19528(a))

4) Allows the FTB after 30 days following the issuance of the notice describe above to assess a one hundred dollar ($100) penalty, due and payable upon notice and demand, for any licensee failing to provide either its federal employer identification number or social security number. (RTC §19528(b))

August 11, 2011
5) Requires specified licensing entities to immediately serve notice to an applicant of the board's intent to withhold issuance or renewal of the license if the Department of Child Support Services reports that the licensee or applicant is not in compliance with a judgment or order of support. (FC §17520(e)(2))

6) Allows the Contractors State License Board to refuse to issue, reinstate, reactivate or renew a license or may suspend a license for the failure of a licensee to resolve all outstanding final liabilities, including taxes assessed by the Department of Industrial Relations, the Employment Development Department or the FTB. (BPC §7145.5(a))

7) Requires FTB to make available each calendar year a list of the 250 largest tax delinquencies in excess of one hundred thousand dollars ($100,000). (Revenue and Taxation Code (RTC) Section 19195(a))

8) Requires the Board of Equalization (BOE) to make available as a matter of public record each quarter a list of the 250 largest tax delinquencies in excess of one hundred thousand dollars ($100,000). (RTC §7063)

This Bill:

1) Requires FTB to make available at least twice each calendar year a list if the 500 largest tax delinquencies in excess of one hundred thousand dollars ($100,000). (RTC Section 19195(a))

2) Requires the BOE to make available as a matter of public record each quarter a list of the 500 largest tax delinquencies in excess of one hundred thousand dollars ($100,000). (RTC §7063)

3) Allows a state governmental entity, including the Board, to refuse to issue, reactivates, reinstate, or renew a license or may suspend a license if a licensee’s name is included on the 500 largest tax delinquency list made available by the BOE and FTB. (BPC §494.5(a))

4) Requires the Board to immediately provide a preliminary notice to an applicant whose name appears on either the BOE or FTB certified list notifying them that the license will be suspended or the issuance of a license or renewal will be withheld. (BPC §494.5(e)(2))

5) Allows FTB and BOE to suspend a license issued by the Board if the Board fails to suspend, revoke or deny renewal of a license within 90 days of the mailing of the preliminary notice of suspension required by this bill. (BPC §494.5(t))

6) Requires the Board to include on every application for licensure or licensure renewal notification to the applicant of the following: (BPC §31)

   a) The law allows the BOE and FTB to share taxpayer information with the Board;

   b) The applicant is required to pay his or her tax obligations; and,

   c) A license may be suspended if a state tax obligation is not paid.

7) Defines “licensee” as an individual authorized by a license to drive a motor vehicle or authorized by a license, certificate, registration, or other authorization to engage in a profession or occupation issued by a state governmental licensing entity. (BPC §494.5(b)(3))
8) Defines “state governmental licensing entity” as any entity under the Department of Consumer Affairs (DCA), the State Board of Chiropractic Examiners, the Horse Racing Board, the office of the Attorney General, the Department of Insurance, the Department of Motor Vehicles, the State Bar of California, the Department of Real Estate, and any other state agency, board, or commission that issues a license, certificate, or registration authorizing an individual to engage in a profession or occupation, including any certificate, business or occupational license, or permit of license issued by the Department of Motor Vehicles or the California Highway Patrol. (BPC §494.5(b)(4))

9) Allows a state governmental entity to decline to exercise its authority to refuse to issue, reactivate, reinstate, or renew a license or suspend a license provided that the entity notifies BOE and FTB of the election not to exercise the referenced authority. (BPC §494.5(b)(4)(B))

10) Requires all state governmental licensing entities to collect the social security number or federal taxpayer identification number from all applicants for the purposes of matching the names to the list provided by FTB and BOE. (BPC §494.5(d))

11) Requires the Board to issue a temporary license valid for a period of 90 days to any applicant who name is on the FTB and BOE certified list if the applicant is otherwise eligible for a license. (BPC §494.5 (e)(2))

12) Requires the Board to make the final determination, not subject to the Administrative Procedures Act (APA), to refuse to issue or suspend a license no sooner than 30 days and no later than 90 days of the mailing of the preliminary notice of suspension or withholding of a license. (BPC §494.5(f))

13) Requires the Board to develop a release form that the applicant or licensee shall use to request release by BOE or FTB in order to have a Board issued license reinstated or issued pursuant to the provisions of this bill. (BPC §494.5(g))

14) Requires BOE or FTB to immediately send a release to the Board if an applicant or licensee meets any of the following conditions:

   a) The applicant or licensee has complied with the tax obligation;
   b) The applicant or licensee on the FTB list is unable to pay outstanding tax liability due to a current financial hardship, as determined by the FTB; or,
   c) The FTB or BOE will be unable to complete the release review and send notice of its findings to the applicant or licensee and Board within 45 days after from the receipt of the request.

15) Requires BOE and FTB to mail a release to an applicant or licensee that complies with the tax obligation and provide the Board with a release that must be processed by the Board within five days of receipt. (BPC §494.5(j))

16) Requires the Board to notify the licensee or applicant, if a licensee or applicant has failed to comply with their installment agreement, that the license shall be suspended on a specific date, to be no longer that 30 days from the date of the mailing. (BPC §494.5(j))

17) Allows the Board to impose a fee on a licensee whose license has been suspended pursuant to the provisions of this bill. (BPC §494.5(k))
18) Provides that the procedures for challenging the inclusion by an applicant on the FTB and BOE certified list contained in this bill shall be the sole administrative remedy for contesting the issuance of a temporary license or the denial or suspension of a license pursuant to the provisions of this bill. (BPC §494.5(m))

19) Prohibits the Board from disclosing any information to the public regarding the suspension or denial of a license pursuant to this bill other than the status of the license or denial. (BPC §494.5(n))

20) States that any information collected pursuant to the provisions of this bill shall be subject to the Information Practices Act of 1977. (BPC §494.5(n))

21) Authorizes the Board to promulgate emergency regulations to enact the provisions of this bill, as it is found necessary for the immediate preservation of the public peace, health, and safety or general welfare. (BPC §494.5(n))

22) Prohibits the reporting of suspension or revocation of licenses pursuant to the provisions of this bill to the National Practitioner Databank, to the extent permitted under federal law. (BPC §494.5(q)(2))

23) Requires the Board to notify FTB and BOE if it fails to suspend, revoke or deny a license within 90 days of the mailing of the preliminary notice of suspension and explain the reason no action was taken by the Board against the licensee. (BPC §494.5(t)(2))

24) States that unless otherwise provided in this bill, the policies, practices and procedures of a state governmental licensing entity with respect to license suspension shall be the same as those applicable with respect to suspension pursuant to Section 17520 of the Family Code. (BPC §494.5(u))

25) Prohibits a state agency from entering into a contract for the acquisition of goods or services with a contractor whose name appears on either list of the 500 largest tax delinquencies. (PCC §10295.4)

26) Provides procedures for the notice and suspension of Board issued licenses by the FTB and BOE. (RTC §§ 6843, 19265)

Comments:

1) **Author’s Intent.** According to the author’s office, “nearly 90 percent of Californians pay their taxes, however, to allow individuals to avoid paying their fair share, places an undue burden on those who do. This bill takes the necessary steps to hold the Top 500 debtors accountable and enable the FTB and BOE to recover the substantial amount of money owed to California.”

2) **Background.** According to the background provided by the author’s office, “each year $6.5 billion for taxes owed to California go unpaid. As of May 2011 the top 250 delinquent taxpayers owe more than $180 million dollar in delinquent personal income and business taxes, with individual debts ranging from $300,000 to over $14 million.”

According to previously submitted information relating to similar legislation, California loses approximately $1.4 billion annually as a result of uncollected tax liabilities that apply to professional and occupational licensees. While FTB has an automated tax collection system to search records and locate delinquent assets, this system is largely ineffective against taxpayers who operate on a cash basis because current information on their income
is unavailable. As of two years ago, there were over 25,000 delinquent taxpayers with a state-issued occupational or professional license, and this bill will enable FTB to suspend their ability to generate income until they reconcile their delinquency with FTB.

3) **Possible confusion on license status.** This bill requires the Board to issue a temporary license to an individual whose name appears on either the FTB or BOE list of delinquent tax obligations. A temporary license shall be valid for 90 days allowing the Board to make a final determination if a license should be suspended. The Board must then suspend the license unless a release is received from BOE or FTB during that time. If the Board fails to take action pursuant to the bill, FTB or BOE will suspend the license. Because of this duplication of disciplinary action by two (or more) separate governmental entities, miscommunication and mistaken action against a licensee will most likely ensue.

Additionally, a license suspension by FTB and BOE would remain on a licensee record, and posted on the Board website for an indefinite period of time. However, this bill prohibits the reporting of this disciplinary action to the National Practitioner Data Bank. It is unclear if the suspension of a license pursuant to this bill, by either the Board or FTB/BOE is considered disciplinary action.

4) **Unintended consequences to patients under the care of board licensees.** The practical side effect of this bill is that patients of board licensed practitioners will suddenly lose their mental health care provider. The mental health arena is already suffering from a documented workforce shortage, and although the Board believes that licensees should be held accountable for unpaid taxes and related financial liabilities to the state, the practical consequence to the consumers may far outweigh the potential revenue to the state. This bill will ultimately punish the patient and not the practitioner.

Additionally, many nonprofit facilities utilize board licensed professionals in order to receive Medi-Cal reimbursement for mental health services rendered. In some workforce shortage areas, the loss of a licensed practitioner may mean the difference between continuing to provide services and being forced to limit or even stop mental health services altogether.

5) **Drafting Issues.** There are a number of drafting issues in the July 12, 2011 version of this bill that would lead to difficulties in implementing the bill, including:

a) The term “revocation” is used in several sections of this bill however, there is no procedure or authority outlined for the revocation of a license pursuant to the provisions of this bill.

b) This bill authorizes the denial of an application or the suspension of a license; however, many sections of this bill only cite the suspension of a license and do not outline procedures for the denial of an application.

c) The use of the term “release” is used but not defined. However, in sections specifically referencing the BOE or FTB the terms “cancellation” or “deferment” are used. It is unclear if all these terms mean the same thing.

d) Procedures for challenging the placement of a name on the FTB or BOE list are set forth, however, there are no provisions in the BPC outlining how to remedy the pending suspension of a license if the issue isn’t erroneous inclusion on the list but the need for a payment schedule.

e) Procedures for the issuance of a temporary license are set forth in the BPC for applicants that may be denied a license but it is unclear if a temporary license is to be issued to licensees seeking renewal. It is unclear what the procedure would be for those licensees that are to be suspended during the middle of a renewal cycle, and if a temporary license is an option for those individuals. Additionally, the procedure for issuing a temporary license are only outlined in the context of the Board suspending a
There are no references to a temporary license in the Revenue and Taxation Code in reference to the BOE or FTB suspending a license. Therefore it appears that an individual may only be issued a temporary license if the Board is in the process of suspending the license. Those individuals subject to FTB or BOE suspension are not afforded the same consideration as those facing license suspension or denial by the Board.

6) **Cost.** The board is scheduled for the first phase of the DCA BreEZe project. Beginning in July of 2012 the Board will be utilizing BreEZe, the new applicant and licensee database. However, until the transition the Board must continue to use the current antiquated IT system. This bill will require two new interfaces to two systems, the current system and the BreEZe system. The cost for this change to the vendor and the amount of time and labor from an IT perspective would be substantial. This bill does not provide for a delayed implementation. It would be impossible for DCA to implement the technical requirements of this bill, including updating the licensing system to allow for a temporary license by 2012.

7) **Suggested Amendments.** It is important to both hold licensees accountable for their actions and to preserve vital programs for the public. Additionally, in the face of the state budget crisis, it is important to address the issue of outstanding tax liabilities – revenue needed to help prevent the reduction in core state programs and services. However, staff recommends looking within the current constructs of existing law to address the issues asserted by FTB and BOE. It is important that the board maintain the enforcement function relative to board licensees in order to continue to provide continuity in care and consumer protection.

Staff recommends amending this bill to allow the board to suspend the licenses of individuals with outstanding tax liabilities based on the model currently used for individuals in violation of a judgment or order for child support (Family Code § 17520). DCA and the Board already have a process in place that allows the Board to receive information regarding individuals out of compliance with child support orders, and, in turn, requires the board to take action against those licensees, including suspension or denial of licensure. This model, if applied to licensees and applicants for licensure with outstanding tax liabilities, will provide a mechanism by which to collect due revenue to the state while also allowing the board to retain its regulatory and enforcement functions.

8) **Previous Legislation and Board Action.** On May 30, 2008 the Board voted to oppose similar legislation (AB 1925, Eng, 2008) unless the measure was amended to delete the content and instead model the bill on the existing practice for child support obligations set forth in Family Code section 17520 (see above discussion). AB 1925 failed to pass out of Senate Committee of Revenue and Taxation. At its May 2009 meeting the Board also voted to oppose AB 484 (Eng) unless amended. AB 484 failed to pass out of Assembly Business and Professions Committee. In 2010, virtually identical legislation to AB 1925 and AB 484 was introduced, AB 2038 but failed to move forward.

9) **Support and Opposition.** None on file for this version of the bill

10) **History**

    2011
    July 12  Read second time and amended. Re-referred to Com. on APPR.
    July 11  From committee: Do pass as amended and re-refer to Com. on APPR. 
            (Ayes 6, Noes 3) (July 6).
June 22   In committee: Hearing postponed by committee.

June 7    From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.

June 6    From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on GOV. & F.

June 2     Referred to Com. on GOV. & F.

May 26    In Senate. Read first time. To Com. on RLS. for assignment.

May 26    Read third time. Passed. Ordered to the Senate. (Ayes 75. Noes 0. Page 1566.)

May 19    Read second time. Ordered to consent calendar.

May 18    From committee: Do pass. To consent calendar. (Ayes 17. Noes 0.) (May 18).

May 5     Re-referred to Com. on APPR.

May 4     Read second time and amended.

May 3     From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 9. Noes 0.) (May 2).

May 2     In committee: Set, first hearing. Referred to REV. & TAX. suspense file.

Mar. 31   Referred to Com. on REV. & TAX.

Mar. 23   From printer. May be heard in committee April 22.

Mar. 22   Read first time. To print.

**ATTACHMENT**

Family Code Section 17520
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An act to amend Sections 31, 476, and 7145.5 of, and to add Section 494.5 to, the Business and Professions Code, to add Section 12419.13 to the Government Code, to add Section 10295.4 to the Public Contract Code, and to amend Sections 7063 and 19195 of, to add Sections 6834, 6835, 7057, 19265, 19377.5, and 19571 to, to add Article 9 (commencing with Section 6850) to Chapter 6 of Part 1 of Division 2 of, and to add Article 7 (commencing with Section 19291) to Chapter 5 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL’S DIGEST

AB 1424, as amended, Perea. Franchise Tax Board: delinquent tax debt.

The Personal Income Tax Law and the Corporation Tax Law impose taxes on, or measured by, income. Existing law requires the Franchise Tax Board to make available as a matter of public record each calendar year a list of the 250 largest tax delinquencies in excess of $100,000, and requires the list to include specified information with respect to each delinquency. Existing law requires every board, as defined,
the Department of Insurance, upon request of the Franchise Tax Board, to furnish to the Franchise Tax Board certain information with respect to every licensee.

This bill would require the State Board of Equalization and the Franchise Tax Board to each make available a list of the 250 largest tax delinquencies described above at least twice each calendar year. This bill would require the Franchise Tax Board to include additional information on the list with respect to each delinquency, including the type, status, and license number of any occupational or professional license held by the person or persons liable for payment of the tax and the names and titles of the principal officers of the person liable for payment of the tax if that person is a limited liability company or corporation. This bill would require a person whose delinquency appeared on the list and whose name has been removed, as provided, to comply with the terms of the arranged resolution, and would authorize the State Board of Equalization and the Franchise Tax Board, if the person fails to comply with the terms of the arranged resolution, to add the person’s name to the list without providing prior written notice, as provided.

This bill would permit a state governmental licensing entity, that issues professional or occupational licenses, certificates, registrations, or permits, to suspend, revoke, or refuse to issue a license if the licensee’s name is included on the list of the 250 largest tax delinquencies described above. This bill would also require those licensing entities to provide to the State Board of Equalization and the Franchise Tax Board the name and social security number or federal taxpayer identification number of each individual licensee of that entity, and would require each application for a new license or renewal of a license to indicate on the application that the law allows the State Board of Equalization and the Franchise Tax Board to share taxpayer information with a board and requires the licensee to pay his or her state income tax obligation and that his or her license may be suspended if the state income tax obligation is not paid. The bill would require the State Board of Equalization and the Franchise Tax Board, if an individual licensee appears on the list of the largest tax delinquencies described above, and the specified licensing entity has not made a decision regarding suspension or revocation of the license, to send a notice of suspension to the licensee. The bill would provide that the license of a licensee who fails to satisfy the unpaid taxes by a certain date shall be automatically suspended, except as specified, and
would require the State Board of Equalization or the Franchise Tax Board to mail a notice of suspension to the applicable state governmental licensing entity and to the licensee, and would provide that the suspension be canceled upon compliance with the tax obligation. The bill would require the State Board of Equalization and the Franchise Tax Board to meet certain requirements and would make related changes.

The bill would provide that the release or other use of information received by a state governmental licensing entity pursuant to these provisions, except as authorized, is punishable as a misdemeanor. By creating a new crime, the bill would impose a state-mandated local program.

This bill would also prohibit a state agency from entering into any contract for the acquisition of goods or services with a contractor whose name appears on the either list of the 250 largest tax delinquencies described above.

Existing law authorizes the Franchise Tax Board to collect specified amounts for the Department of Industrial Relations and specified amounts imposed by a court pursuant to specified procedures.

This bill would authorize the State Board of Equalization and the Franchise Tax Board to enter into an agreement to collect any delinquent tax debt due to the Internal Revenue Service or any other state imposing an income tax or tax measured by income pursuant to specified procedures, provided that the Internal Revenue Service or that state has entered into an agreement to collect delinquent tax debts due to the State Board of Equalization or the Franchise Tax Board, and the agreements do not cause the net displacement of civil service employees, as specified. This bill would require the Controller, upon execution of a reciprocal agreement between the State Board of Equalization, the Franchise Tax Board, and any other state imposing a sales and use tax, a tax similar to a sales and use tax, an income tax, or tax measured by income, to offset any delinquent tax debt due to that other state from a person or entity, against any refund under the Personal Income Tax Law or the Corporation Tax Law owed to that person or entity, as provided.

This bill would incorporate additional changes to Section 7145.5 of the Business and Professions Code, proposed by AB 1307, to be operative as specified.
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 31 of the Business and Professions Code is amended to read:

31. (a) As used in this section, “board” means any entity listed in Section 101, the entities referred to in Sections 1000 and 3600, the State Bar, the Department of Real Estate, and any other state agency that issues a license, certificate, or registration authorizing a person to engage in a business or profession.

(b) Each applicant for the issuance or renewal of a license, certificate, registration, or other means to engage in a business or profession regulated by a board who is not in compliance with a judgment or order for support shall be subject to Section 17520 of the Family Code.

(c) “Compliance with a judgment or order for support” has the meaning given in paragraph (4) of subdivision (a) of Section 17520 of the Family Code.

(d) Each licensee whose name appears on a list of the 250 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code shall be subject to Section 494.5 or 7145.5 or to Section 6834 or 19265 of the Revenue and Taxation Code.

(e) Each application for a new license or renewal of a license shall indicate on the application that the law allows the State Board of Equalization and the Franchise Tax Board to share taxpayer information with a board and requires the licensee to pay his or her state income tax obligation and that his or her license may be suspended if the state income tax obligation is not paid.

(f) For purposes of this section, “tax obligation” means the tax imposed under, or in accordance with, Part 1 (commencing with Section 6001), Part 1.5 (commencing with Section 7200), Part 1.6 (commencing with Section 7251), Part 1.7 (commencing with
Section 7285), Part 10 (commencing with Section 17001), and Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code.

SEC. 2. Section 476 of the Business and Professions Code is amended to read:

476. (a) Except as provided in subdivision (b), nothing in this division shall apply to the licensure or registration of persons pursuant to Chapter 4 (commencing with Section 6000) of Division 3, or pursuant to Division 9 (commencing with Section 23000) or pursuant to Chapter 5 (commencing with Section 19800) of Division 8.

(b) Section 494.5 shall apply to the licensure of persons authorized to practice law pursuant to Chapter 4 (commencing with Section 6000) of Division 3, and the licensure or registration of persons pursuant to Chapter 5 (commencing with Section 19800) of Division 8 or pursuant to Division 9 (commencing with Section 23000).

SEC. 3. Section 494.5 is added to the Business and Professions Code, to read:

494.5. (a) A state governmental licensing entity may refuse to issue, reactivate, reinstate, or renew a license or may suspend a license if a licensee’s name is included on a certified list.

(1) Until the liabilities covered by this section are satisfied, the qualifying person and any other personnel of record named on a license who have been suspended under this section shall be prohibited from serving in any capacity that is subject to licensure, but shall be permitted to act in the capacity of a nonsupervising bona fide employee.

(2) The license of any other renewable licensed entity with any of the same personnel of record who have been assessed an outstanding liability covered by this section shall be suspended until the liability has been satisfied or until the same personnel of record disassociate themselves from the renewable licensed entity.

(b) For purposes of this section:

(1) “Certified list” means a either list provided by the State Board of Equalization or the Franchise Tax Board of persons whose names appear on a list the lists of the 250 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code.
(2) “License” includes a certificate, registration, or any other authorization to engage in a profession or occupation issued by a state governmental licensing entity. “License” includes a driver’s license issued pursuant to Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code.

(3) “Licensee” means an individual authorized by a license to drive a motor vehicle or authorized by a license, certificate, registration, or other authorization to engage in a profession or occupation issued by a state governmental licensing entity.

(4) (A) “State governmental licensing entity” means any entity listed in Section 101, 1000, or 19420, the office of the Attorney General, the Department of Insurance, the Department of Motor Vehicles, the State Bar of California, the Department of Real Estate, and any other state agency, board, or commission that issues a license, certificate, or registration authorizing an individual to engage in a profession or occupation, including any certificate, business or occupational license, or permit or license issued by the Department of Motor Vehicles or the Department of the California Highway Patrol.

(B) “State governmental licensing entity” shall not include any entity described in subparagraph (A) that has elected to decline to exercise the authority provided by this section to suspend or refuse to issue, reinstate, reactivate, or renew the license of a licensee for failure to pay the taxes described in subdivision (a). An election under this subparagraph shall not be valid unless notification of that election has been provided to the State Board of Equalization and the Franchise Tax Board at the time and in the manner prescribed by the State Board of Equalization and the Franchise Tax Board.

(c) The State Board of Equalization and the Franchise Tax Board shall submit a each submit its respective certified list to state governmental licensing entities.

(d) Notwithstanding any other law, all state governmental licensing entities shall collect the social security number or the federal taxpayer identification number from all applicants for the purposes of matching the names of the certified list lists provided by the State Board of Equalization and the Franchise Tax Board to applicants and licensees.

(e) (1) Each state governmental licensing entity shall determine whether an applicant or licensee is on the most recent certified list
provided by the State Board of Equalization and the Franchise
tax Board. The state governmental licensing entity shall have the
authority to withhold issuance or renewal of the license of any
applicant on the either list or to suspend the license of any licensee
on the either list.

(2) If an applicant or licensee is on a certified list either of the
certified lists, the state governmental licensing entity shall
immediately provide a preliminary notice to the applicant or
licensee of the entity’s intent to suspend or withhold issuance or
renewal of the license. The preliminary notice shall be delivered
personally or by mail to the applicant’s or licensee’s last known
mailing address on file with the state governmental licensing entity
within 30 days of receipt of the certified list. Service by mail shall
be completed in accordance with Section 1013 of the Code of Civil
Procedure.

(A) The state governmental licensing entity shall issue a
temporary license valid for a period of 90 days to any applicant
whose name is on a certified list if the applicant is otherwise
eligible for a license.

(B) The 90-day time period for a temporary license shall not be
extended. Only one temporary license shall be issued during a
regular license term and the term of the temporary license shall
coincide with the first 90 days of the regular license term. A license
for the full term or the remainder of the license term may be issued
or renewed only upon compliance with this section.

(C) In the event that a license is suspended or an application for
a license or the renewal of a license is denied pursuant to this
section, any funds paid by the applicant or licensee shall not be
refunded by the state governmental licensing entity.

(f) A state governmental licensing entity shall make a final
determination to refuse to issue or to suspend a license pursuant
to this section no sooner than 30 days and no later than 90 days of
the mailing of the preliminary notice described in paragraph (2)
of subdivision (e). The procedures in the administrative
adjudication provisions of the Administrative Procedure Act
(Chapter 4.5 (commencing with Section 11400) and Chapter 5
(commencing with Section 11500) of Part 1 of Division 3 of Title
2 of the Government Code) shall not apply to the revocation or
suspension of a license pursuant to this section.
(g) Notices shall be developed by each state governmental licensing entity. For an applicant or licensee on the State Board of Equalization’s certified list, the notice shall include the address and telephone number of the State Board of Equalization, and shall emphasize the necessity of obtaining a release from the State Board of Equalization as a condition for the issuance, renewal, or continued valid status of a license or licenses. For an applicant or licensee on the Franchise Tax Board’s certified list, the notice shall include the address and telephone number of the Franchise Tax Board, and shall emphasize the necessity of obtaining a release from the Franchise Tax Board as a condition for the issuance, renewal, or continued valid status of a license or licenses.

(1) The notice shall inform the applicant that the state governmental licensing entity shall issue a temporary license, as provided in subparagraph (A) of paragraph (2) of subdivision (e), for 90 calendar days if the applicant is otherwise eligible and that upon expiration of that time period, the license will be denied unless the state governmental licensing entity has received a release from the State Board of Equalization and the Franchise Tax Board.

(2) The notice shall inform the licensee that any license suspended under this section will remain suspended unless the state governmental licensing entity receives a release along with applications and fees, if applicable, to reinstate the license.

(3) The notice shall also inform the applicant or licensee that if an application is denied or a license is suspended pursuant to this section, any moneys paid by the applicant or licensee shall not be refunded by the state governmental licensing entity. The state governmental licensing entity shall also develop a form that the applicant or licensee shall use to request a release by the State Board of Equalization and the Franchise Tax Board. A copy of this form shall be included with every notice sent pursuant to this subdivision.

(h) If the applicant or licensee wishes to challenge the submission of his or her name on a certified list, the applicant or licensee shall make a timely written request for release to the State Board of Equalization or the Franchise Tax Board, whichever is applicable. The State Board of Equalization or the Franchise Tax Board shall immediately send a release to the
appropriate state governmental licensing entity and the applicant
or licensee, if any of the following conditions are met:

(1) The applicant or licensee has complied with the tax
obligation, either by payment of the unpaid taxes or entry into an
installment payment agreement, as described in Section 6832 or
19008 of the Revenue and Taxation Code, to satisfy the unpaid
taxes.

(2) The applicant or licensee has submitted a request for release
not later than 45 days after the applicant’s or licensee’s receipt of
a preliminary notice described in paragraph (2) of subdivision (e),
but the State Board of Equalization or the Franchise Tax Board,
whichever is applicable, will be unable to complete the release
review and send notice of its findings to the applicant or licensee
and state governmental licensing entity within 45 days after the
State Board of Equalization’s or the Franchise Tax Board’s receipt
of the applicant’s or licensee’s request for release. Whenever a
release is granted under this paragraph, and, notwithstanding that
release, the applicable license or licenses have been suspended
erroneously, the state governmental licensing entity shall reinstate
the applicable licenses with retroactive effect back to the date of
the erroneous suspension and that suspension shall not be reflected
on any license record.

(3) The applicant or licensee that is on the certified list provided
by the Franchise Tax Board is unable to pay the outstanding
liability due to a current financial hardship, as determined by the
Franchise Tax Board.

(i) An applicant or licensee is required to act with diligence in
responding to notices from the state governmental licensing entity
and the State Board of Equalization or the Franchise Tax Board
with the recognition that the temporary license will lapse or the
license suspension will go into effect after 90 days and that the
State Board of Equalization or the Franchise Tax Board must have
time to act within that period. An applicant’s or licensee’s delay
in acting, without good cause, which directly results in the inability
of the State Board of Equalization or the Franchise Tax Board,
whichever is applicable, to complete a review of the applicant’s
or licensee’s request for release shall not constitute the diligence
required under this section which would justify the issuance of a
release. An applicant or licensee shall have the burden of
establishing that he or she diligently responded to notices from the
state governmental licensing entity or the State Board of Equalization or the Franchise Tax Board and that any delay was not without good cause.

(j) The State Board of Equalization or the Franchise Tax Board shall create release forms for use pursuant to this section. When the applicant or licensee has complied with the tax obligation, either by payment of the unpaid taxes or entry into an installment payment agreement, the State Board of Equalization or the Franchise Tax Board, whichever is applicable, shall mail a release form to the applicant or licensee and provide a release to the appropriate state governmental licensing entity. Any state governmental licensing entity that has received a release from the State Board of Equalization and the Franchise Tax Board pursuant to this subdivision shall process the release within five business days of its receipt. If the State Board of Equalization or the Franchise Tax Board determines subsequent to the issuance of a release that the licensee has not complied with their installment payment agreement, the State Board of Equalization or the Franchise Tax Board, whichever is applicable, may notify the state governmental licensing entity and the licensee in a format prescribed by the State Board of Equalization and the Franchise Tax Board that the licensee is not in compliance and the release shall be rescinded. The State Board of Equalization and the Franchise Tax Board may, when it is economically feasible for the state governmental licensing entity to develop an automated process for complying with this subdivision, notify the state governmental licensing entity in a manner prescribed by the State Board of Equalization and the Franchise Tax Board, that the licensee has not complied with the installment payment agreement. Upon receipt of this notice, the state governmental licensing entity shall immediately notify the licensee on a form prescribed by the state governmental licensing entity that the licensee’s license will be suspended on a specific date, and this date shall be no longer than 30 days from the date the form is mailed. The licensee shall be further notified that the license will remain suspended until a new release is issued in accordance with subdivision (h).

(k) The State Board of Equalization and the Franchise Tax Board may enter into interagency agreements with the state governmental licensing entities necessary to implement this section, to the extent that it is cost effective to implement this section.
Notwithstanding any other law, a state governmental licensing entity, with the approval of the appropriate department director or governing body, may impose a fee on a licensee whose license has been suspended pursuant to this section. The fee shall not exceed the amount necessary for the state governmental licensing entity to cover its costs in carrying out the provisions of this section. Fees imposed pursuant to this section shall be deposited in the fund in which other fees imposed by the state governmental licensing entity are deposited and shall be available to that entity upon appropriation in the annual Budget Act.

The process described in subdivision (h) shall constitute the sole administrative remedy for contesting the issuance of a temporary license or the denial or suspension of a license under this section. The procedures specified in the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to the denial, suspension, or failure to issue or renew a license or the issuance of a temporary license pursuant to this section.

Any state governmental licensing entity receiving an inquiry as to the licensed status of an applicant or licensee who has had a license denied or suspended under this section or who has been granted a temporary license under this section shall respond only that the license was denied or suspended or the temporary license was issued pursuant to this section. Information collected pursuant to this section by any state agency, board, or department shall be subject to the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

Any rules and regulations issued pursuant to this section by any state agency, board, or department may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. The regulations shall become effective immediately upon filing with the Secretary of State.
(p) The State Board of Equalization, the Franchise Tax Board, and state governmental licensing entities, as appropriate, shall adopt regulations as necessary to implement this section.

(q) (1) Neither the state governmental licensing entity, nor any officer, employee, or agent, or former officer, employee, or agent of a state governmental licensing entity, may disclose or use any information obtained from the State Board of Equalization or the Franchise Tax Board, pursuant to this section, except to inform the public of the suspension of a license pursuant to this section. The release or other use of information received by a state governmental licensing entity pursuant to this section, except as authorized by this section, is punishable as a misdemeanor. This subdivision may not be interpreted to prevent the State Bar of California from filing a request with the Supreme Court of California to suspend a member of the bar pursuant to this section.

(2) To the extent permitted under federal law, a suspension or revocation of a license pursuant to this section shall not be reported to the National Practitioner Data Bank.

(r) If any provision of this section or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this section that can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(s) All rights to review afforded by this section to an applicant shall also be afforded to a licensee.

(t) (1) If the state governmental licensing entity, as defined in Section 6834 or 19265 of the Revenue and Taxation Code, does not suspend, revoke, or deny renewal of a license within 90 days of the mailing of preliminary notice as described in subdivision (f), the State Board of Equalization or the Franchise Tax Board, whichever is applicable, is authorized to suspend the license pursuant to Section 6834 or 19265 of the Revenue and Taxation Code.

(2) If the state governmental licensing entity has not suspended, revoked, or denied the renewal of a license within 90 days of the mailing of the preliminary notice as described in subdivision (e), the state governmental licensing entity shall promptly notify the State Board of Equalization or the Franchise Tax Board, whichever is applicable, and the licensee. The notification shall include the
reason why no action was taken by the state governmental licensing
entity.

(3) If the election described in subparagraph (B) of paragraph
(4) of subdivision (b) has been made, the State Board of
Equalization or the Franchise Tax Board, whichever is applicable,
is authorized to suspend, pursuant to Section 6834 or 19265 of the
Revenue and Taxation Code, the license of a licensee subject to
the jurisdiction of the entity that made that election.

(u) Unless otherwise provided in this section, the policies,
practices, and procedures of a state governmental licensing entity
with respect to license suspensions under this section shall be the
same as those applicable with respect to suspensions pursuant to
Section 17520 of the Family Code.

(v) No provision of this section shall be interpreted to allow a
court to review and prevent the collection of income taxes prior
to the payment of those taxes in violation of the California
Constitution.

(w) This section shall apply to any licensee whose name appears
on a list of the 250 largest tax delinquencies pursuant to
Sections 7063 and 19195 of the Revenue and Taxation
Code on or after January 1, 2012.

SEC. 4. Section 7145.5 of the Business and Professions Code
is amended to read:

7145.5. (a) The registrar may refuse to issue, reinstate,
reactivate, or renew a license or may suspend a license for the
failure of a licensee to resolve all outstanding final liabilities, which
include taxes, additions to tax, penalties, interest, and any fees that
may be assessed by the board, the Department of Industrial
Relations, the Employment Development Department, or the
Franchise Tax Board.

(1) Until the debts covered by this section are satisfied, the
qualifying person and any other personnel of record named on a
license that has been suspended under this section shall be
prohibited from serving in any capacity that is subject to licensure
under this chapter, but shall be permitted to act in the capacity of
a nonsupervising bona fide employee.

(2) The license of any other renewable licensed entity with any
of the same personnel of record that have been assessed an
outstanding liability covered by this section shall be suspended
until the debt has been satisfied or until the same personnel of
record disassociate themselves from the renewable licensed entity.
(b) The refusal to issue a license or the suspension of a license
as provided by this section shall be applicable only if the registrar
has mailed a notice preliminary to the refusal or suspension that
indicates that the license will be refused or suspended by a date
certain. This preliminary notice shall be mailed to the licensee at
least 60 days before the date certain.
(c) In the case of outstanding final liabilities assessed by the
Franchise Tax Board, this section shall be operative within 60 days
after the Contractors’ State License Board has provided the
Franchise Tax Board with the information required under Section
30, relating to licensing information that includes the federal
employee identification number or social security number.
(d) All versions of the application for contractors’ licenses shall
include, as part of the application, an authorization by the applicant,
in the form and manner mutually agreeable to the Franchise Tax
Board and the board, for the Franchise Tax Board to disclose the
tax information that is required for the registrar to administer this
section. The Franchise Tax Board may from time to time audit
these authorizations.
(e) This section shall not be interpreted to conflict with the
suspension of a license pursuant to Section 494.5 of this code or
Section 19265 of the Revenue and Taxation Code.
SEC. 4.5. Section 7145.5 of the Business and Professions Code
is amended to read:
7145.5. (a) The registrar may refuse to issue, reinstate,
reactivate, or renew a license or may suspend a license for the
failure of a licensee to resolve all outstanding final liabilities, which
include taxes, additions to tax, penalties, interest, and any fees that
may be assessed by the board, the Department of Industrial
Relations, the Employment Development Department, or the
Franchise Tax Board, or the State Board of Equalization.
(1) Until the debts covered by this section are satisfied, the
qualifying person and any other personnel of record named on a
license that has been suspended under this section shall be
prohibited from serving in any capacity that is subject to licensure
under this chapter, but shall be permitted to act in the capacity of
a nonsupervising bona fide employee.
(2) The license of any other renewable licensed entity with any
of the same personnel of record that have been assessed an
outstanding liability covered by this section shall be suspended
until the debt has been satisfied or until the same personnel of
record disassociate themselves from the renewable licensed entity.
(b) The refusal to issue a license or the suspension of a license
as provided by this section shall be applicable only if the registrar
has mailed a notice preliminary to the refusal or suspension that
indicates that the license will be refused or suspended by a date
certain. This preliminary notice shall be mailed to the licensee at
least 60 days before the date certain.
(c) In the case of outstanding final liabilities assessed by the
Franchise Tax Board, this section shall be operative within 60 days
after the Contractors’ State License Board has provided the
Franchise Tax Board with the information required under Section
30, relating to licensing information that includes the federal
employee identification number or social security number.
(d) All versions of the application for contractors’ licenses shall
include, as part of the application, an authorization by the applicant,
in the form and manner mutually agreeable to the Franchise Tax
Board and the board, for the Franchise Tax Board to disclose the
tax information that is required for the registrar to administer this
section. The Franchise Tax Board may from time to time audit
these authorizations.
(e) In the case of outstanding final liabilities assessed by the
State Board of Equalization, this section shall not apply to any
outstanding final liability if the licensee has entered into an
installment payment agreement for that liability with the State
Board of Equalization and is in compliance with the terms of that
agreement.
(f) This section shall not be interpreted to conflict with the
suspension of a license pursuant to Section 494.5 of this code or
Section 6834 or 19265 of the Revenue and Taxation Code.
SEC. 5. Section 12419.13 is added to the Government Code,
to read:
12419.13. (a) (1) The Controller shall, upon execution of a
reciprocal agreement between the State Board of Equalization or
the Franchise Tax Board, and any other state imposing a sales and
use tax, an income tax, or tax measured by income, offset any
delinquent tax debt due to that other state from a person or entity,
against any refund under the Sales and Use Tax Law, the Personal
Income Tax Law, or the Corporation Tax Law owed to that person
or entity.

(2) Standards and procedures for submission of requests for
offsets shall be as prescribed by the Controller.

(3) Payment of the offset amount shall occur only after other
offset requests for debts owed by a person or entity to this state or
the federal government have been satisfied in accordance with the
priority established under Section 12419.3.

(b) The reciprocal agreement identified in subdivision (a) shall
prescribe the manner in which the administrative costs of the
Controller, the State Board of Equalization, and the Franchise Tax
Board shall be reimbursed.

SEC. 6. Section 10295.4 is added to the Public Contract Code,
to read:

10295.4. (a) Notwithstanding any other law, a state agency
shall not enter into any contract for the acquisition of goods or
services with a contractor whose name appears on the either list
of the 250 largest tax delinquencies pursuant to Section 7063
or 19195 of the Revenue and Taxation Code. Any contract entered
into in violation of this subdivision is void and unenforceable.

(b) This section shall apply to any contract executed on or after
January 1, 2012.

SEC. 7. Section 6834 is added to the Revenue and Taxation
Code, to read:

6834. (a) (1) All state governmental licensing entities issuing
professional or occupational licenses, certificates, registrations,
or permits shall provide to the board the name and social security
number or federal taxpayer identification number, as applicable,
of each licensee of that state governmental licensing entity.

(2) If any licensee appears on a list of the 500 largest tax
delinquencies pursuant to Section 7063, and the license of that
licensee has not been suspended, revoked, or denied by the
applicable state governmental licensing entity pursuant to Section
494.5 of the Business and Professions Code, then the board shall
mail a preliminary notice of suspension to the licensee indicating
that the license will be suspended by a date certain, which shall
be at least 60 days after the mailing of the preliminary notice,
unless prior to the date certain the licensee pays the unpaid taxes
or enters into an installment payment agreement, as described in
Section 6832, to satisfy the unpaid taxes. The preliminary notice shall also advise the licensee of the opportunity to request deferral or cancellation of a suspension pursuant to subdivision (b).

(3) If any licensee subject to paragraph (2) fails to pay the unpaid taxes or to enter into an installment payment agreement, as described in Section 6832, to satisfy the unpaid taxes prior to the date certain listed in the preliminary notice of suspension, his or her license shall be automatically suspended by operation of this section, except as provided in subdivision (b), and the board shall provide a notice of suspension to the applicable state governmental licensing entity and shall mail a notice of suspension to the licensee. The rights, powers, and privileges of any licensee whose license to drive a motor vehicle, professional or occupational license, certificate, registration, or permit has been suspended pursuant to this section shall be subject to the same prohibitions, limitations, and restrictions as if the license to drive a motor vehicle, professional or occupational license, certificate, registration, or permit were suspended by the state governmental licensing entity that issued the professional or occupational license, certificate, registration, or permit.

(4) (A) Upon compliance by the licensee with the tax obligation, either by payment of the unpaid taxes or entry into an installment payment agreement, as described in Section 6832, to satisfy the unpaid taxes, a suspension pursuant to this subdivision shall be canceled. The board shall, within 10 business days of compliance by the licensee with the tax obligation, notify both the state governmental licensing entity and the licensee that the unpaid taxes have been paid or that an installment payment agreement, as described in Section 6832, has been entered into to satisfy the unpaid taxes and that the suspension has been canceled.

(B) Whenever a suspension is canceled under this paragraph and the applicable license or licenses have been suspended in error, the board shall notify the state governmental licensing entity to reinstate all applicable licenses back to the date of suspension and expunge any notation of that suspension from the licensee’s record.

(5) If a license is not suspended, or if the suspension of a license is canceled, based on the licensee entering into an installment payment agreement as described in Section 6832, and the licensee fails to comply with the terms of the installment payment
agreement, that license shall be suspended as of the date that is
30 days after the date of termination of that installment payment
agreement. If a license is suspended pursuant to this paragraph,
the board shall provide notice of suspension to the applicable state
governmental licensing entity and mail a notice of suspension to
the licensee.

(6) State governmental licensing entities shall provide to the
board the information required by this subdivision at a time that
the board may require.

(b) (1) The board may defer or cancel any suspension
authorized by this section if a licensee is unable to pay the liability
due to a current financial hardship. The board shall, if requested
by the licensee in writing, provide for an administrative hearing
to determine if the licensee is unable to pay the liability due to a
current financial hardship.

(2) The request for a hearing specified in paragraph (1) shall
be made in writing within 30 days from the mailing date of the
preliminary notice described in subdivision (a).

(3) The board shall conduct a hearing within 30 days after
receipt of a request pursuant to paragraph (1), unless the board
postpones the hearing, upon a showing of good cause by the
licensee, in which case a suspension pursuant to subdivision (a)
shall be deferred until the hearing has been completed.

(4) A licensee seeking relief under this subdivision shall only
be entitled to relief described in paragraph (1) if the licensee
provides the board with financial documents that substantiate a
financial hardship, and agrees to an acceptable payment
arrangement.

(5) If the deferral of a suspension of a license under this
subdivision is no longer operative, that license shall be suspended
as of the date that is 30 days after the date the deferral is no longer
operative. If a license is suspended pursuant to this paragraph,
the board shall provide notice of suspension to the applicable state
governmental licensing entity and mail a notice of suspension to
the licensee.

(c) For purposes of this section and Section 7057, the following
definitions shall apply:

(1) “Financial hardship” means financial hardship, as
determined by the board, where the licensee is financially unable
to pay any part of the amount described in subdivision (a). In order
to establish the existence of a financial hardship, the licensee shall submit any information, including information related to reasonable business and personal expenses, requested by the board for the purpose of making that determination.

(2) “License” includes a certificate, registration, or any other authorization to engage in a profession or occupation issued by a state governmental licensing entity. “License” includes a driver’s license issued pursuant to Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code.

(3) “Licensee” means an individual authorized by a license to drive a motor vehicle or authorized by a license, certificate, registration, or other authorization to engage in a profession or occupation issued by a state governmental licensing entity.

(4) “State governmental licensing entity” means any entity listed in Section 101, 1000, or 19420 of the Business and Professions Code, the office of the Attorney General, the Department of Insurance, the Department of Motor Vehicles, the Department of Real Estate, and any other state agency, board, or commission that issues a license, certificate, or registration authorizing an individual to engage in a profession or occupation, including any certificate, business or occupational license, or permit or license issued by the Department of Motor Vehicles or the Department of the California Highway Patrol. “State governmental licensing entity” shall not include the Department of Alcoholic Beverage Control or the State Bar of California.

(d) Notwithstanding any other law, a state governmental licensing entity may, with the approval of the appropriate department director or governing body, impose a fee on licensees whose license has been suspended as described in subdivision (a). The fee shall not exceed the amount necessary for the state governmental licensing entity to cover its costs in carrying out the provisions of this section. Fees imposed pursuant to this section shall be deposited in the fund in which other fees imposed by the state governmental licensing entity are deposited and shall be available to that entity upon appropriation in the annual Budget Act.

(e) The process described in subdivision (b) shall constitute the sole administrative remedy for contesting the suspension of a license under this section. The procedures in the administrative adjudication provisions of the Administrative Procedure Act
(Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to the suspension of a license pursuant to this section.

(f) This section shall apply to any licensee whose name appears on a list of the 500 largest tax delinquencies pursuant to Section 7063 on or after January 1, 2012.

SEC. 8. Section 6835 is added to the Revenue and Taxation Code, to read:

6835. (a) The board may enter into an agreement with the Internal Revenue Service or any other state imposing a sales and use tax, or a similar tax, for the purpose of collecting delinquent tax debts with respect to amounts assessed or imposed under this part, provided the agreements do not cause the net displacement of civil service employees. The agreement may provide, at the discretion of the board, the rate of payment and the manner in which compensation for services shall be paid.

(b) At the discretion of the board, the Internal Revenue Service or the other state collecting the tax debt pursuant to subdivision (a) may, as part of the collection process, refer the tax debt for litigation by its legal representatives in the name of the board.

(c) For purposes of this section, “displacement” includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. “Displacement” does not include changes in shifts or days off, nor does it include reassignment to any other position within the same class and general location.

SEC. 9. Article 9 (commencing with Section 6850) is added to Chapter 6 of Part 1 of Division 2 of the Revenue and Taxation Code, to read:

Article 9. Collection of Tax Debts Due to the Internal Revenue Services or Other States

6850. (a) The board may enter into an agreement to collect any delinquent tax debt due to the Internal Revenue Service or any other state imposing a sales and use tax, or similar tax, if, pursuant to Section 6851, the Internal Revenue Service or such a state has entered into an agreement to collect delinquent tax debts due to the board.
(b) Upon written notice to the debtor from the board, any amount referred to the board under subdivision (a) shall be treated as final and due and payable to the State of California, and shall be collected from the debtor by the board in any manner authorized under the law for collection of a delinquent sales and use tax liability, including, but not limited to, the recording of a notice of state tax lien under Article 2 (commencing with Section 7170) of Chapter 14 of Division 7 of Title 1 of the Government Code, and the issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes.

(c) This part shall apply to amounts referred under this section in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this section, except to the extent that any provision is either inconsistent with this section or is not relevant to this section. (d) The activities required to implement and administer this section shall not interfere with the primary mission of the board to administer this part. (e) In no event shall a collection under this section be construed as a payment of sales and use taxes imposed under this part, or in accordance with Part 1.5 or Part 1.6.

SEC. 10. Section 7057 is added to the Revenue and Taxation Code, to read:

7057. (a) The board may disclose to state governmental licensing entities information regarding suspension of a license pursuant to Section 6834 of this code or Section 494.5 or 7145.5 of the Business and Professions Code. (b) Neither the state governmental licensing entity, nor any officer, employee, or agent, or former officer, employee, or agent of a state governmental licensing entity, may disclose or use any information obtained from the board, pursuant to this section, except to inform the public of the suspension of a license pursuant to Section 6834 of this code or Section 494.5 or 7145.5 of the Business and Professions Code. (c) For purposes of this section, the definitions in Section 6834 shall apply.

SEC. 11. Section 7063 of the Revenue and Taxation Code is amended to read:
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7063. (a) Notwithstanding any other provision of law, the board shall make available as a matter of public record each quarter a list of the 250 largest tax delinquencies in excess of one hundred thousand dollars ($100,000) under this part. For purposes of compiling the list, a tax delinquency means an amount owed to the board which is all of the following:

1. Based on a determination made under Article 2 (commencing with Section 6481) or Article 3 (commencing with Section 6511) of Chapter 5 deemed final pursuant to Article 5 (commencing with Section 6561) of Chapter 5, or that is “due and payable” under Article 4 (commencing with Section 6536) of Chapter 5, or self-assessed by the taxpayer.

2. Recorded as a notice of state tax lien pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code, in any county recorder’s office in this state.

3. For an amount of tax delinquent for more than 90 days.

(b) For purposes of the list, a tax delinquency does not include any of the following and may not be included on the list:

1. A delinquency that is under litigation in a court of law.

2. A delinquency for which payment arrangements have been agreed to by both the taxpayer and the board and the taxpayer is in compliance with the arrangement.

3. A delinquency for which the taxpayer has filed for bankruptcy protection pursuant to Title 11 of the United States Code.

(c) Each quarterly list shall, with respect to each delinquency, include all the following:

1. The name of the person or persons liable for payment of the tax and that person’s or persons’ last known address.

2. The amount of tax delinquency as shown on the notice or notices of state tax lien and any applicable interest or penalties, less any amounts paid.

3. The earliest date that a notice of state tax lien was filed.

4. The type of tax that is delinquent.

(d) Prior to making a tax delinquency a matter of public record as required by this section, the board shall provide a preliminary written notice to the person or persons liable for the tax by certified mail, return receipt requested. If within 30 days after issuance of the notice, the person or persons do not remit the amount due or
make arrangements with the board for payment of the amount due, the tax delinquency shall be included on the list.

(e) The quarterly list described in subdivision (a) shall include the following:

(1) The telephone number and address of the board office to contact if a person believes placement of his or her name on the list is in error.

(2) The aggregate number of persons that have appeared on the list who have satisfied their delinquencies in their entirety and the dollar amounts, in the aggregate, that have been paid attributable to those delinquencies.

(f) As promptly as feasible, but no later than 5 business days from the occurrence of any of the following, the board shall remove that taxpayer’s name from the list of tax delinquencies:

(1) Tax delinquencies for which the person liable for the tax has contacted the board and resolution of the delinquency has been arranged.

(2) Tax delinquencies for which the board has verified that an active bankruptcy proceeding has been initiated.

(3) Tax delinquencies for which the board has verified that a bankruptcy proceeding has been completed and there are no assets available with which to pay the delinquent amount or amounts.

(4) Tax delinquencies that the board has determined to be uncollectible.

(g) A person whose delinquency appears on the quarterly list, and who satisfies that delinquency in whole or in part, may request the board to include in its quarterly list any payments that person made to satisfy the delinquency. Upon receipt of that request, the board shall include those payments on the list as promptly as feasible.

(h) Notwithstanding subdivision (a), a person whose delinquency appeared on the quarterly list and whose name has been removed pursuant to paragraph (1) of subdivision (f) shall comply with the terms of the arranged resolution. If a person fails to do so, the board shall add that person’s name to the list of delinquencies without providing the prior written notice required by subdivision (d).

SEC. 7.

SEC. 12. Section 19195 of the Revenue and Taxation Code is amended to read:
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19195. (a) Notwithstanding any other provision of law, including Section 6254.21 of the Government Code, the Franchise Tax Board shall make available as a matter of public record at least twice each calendar year a list of the 250 largest tax delinquencies in excess of one hundred thousand dollars ($100,000) under Part 10 and Part 11 of this division. For purposes of compiling the list, a tax delinquency means the total amount owed by a taxpayer to the State of California for which a notice of state tax lien has been recorded in any county recorder’s office in this state, pursuant to Chapter 14 (commencing with Section 7150) of Division 7 of Title 1 of the Government Code.

(b) For purposes of the list, a tax delinquency does not include any of the following and may not be included on the list:

1. A delinquency for which payment arrangements have been agreed to by both the taxpayer and the Franchise Tax Board and the taxpayer is in compliance with the arrangement.

2. A delinquency for which the taxpayer has filed for bankruptcy protection pursuant to Title 11 of the United States Code.

3. A delinquency for which the person or persons liable for the tax have contacted the Franchise Tax Board and for which resolution of the tax delinquency has been accepted by the Franchise Tax Board.

(c) Each list shall, with respect to each delinquency, include all the following:

1. The name of the person or persons liable for payment of the tax and that person’s or persons’ address.

2. The amount of tax delinquency as shown on the notice or notices of state tax lien and any applicable interest or penalties, less any amounts paid.

3. The earliest date that a notice of state tax lien was filed.

4. The type of tax that is delinquent.

5. The type, status, and license number of any occupational or professional license held by the person or persons liable for payment of the tax.

6. The names and titles of the principal officers of the person liable for payment of the tax if that person is a limited liability company or corporation.

(d) Prior to making a tax delinquency a matter of public record as required by this section, the Franchise Tax Board shall provide
a preliminary written notice to the person or persons liable for the
tax by certified mail, return receipt requested. If within 30 days
after issuance of the notice, the person or persons do not remit the
amount due or make arrangements with the Franchise Tax Board
for payment of the amount due, the tax delinquency shall be
included on the list.
(e) The list described in subdivision (a) shall include the
following:
(1) The telephone number and address of the Franchise Tax
Board office to contact if a person believes placement of his or
her name on the list is in error.
(2) The aggregate number of persons that have appeared on the
list who have satisfied their delinquencies in their entirety and the
dollar amounts, in the aggregate, that have been paid attributable
to those delinquencies.
(f) As promptly as feasible, but no later than five business days
from the occurrence of any of the following, the Franchise Tax
Board shall remove that taxpayer’s name from the list of tax
delinquencies:
(1) Tax delinquencies for which the person liable for the tax
has contacted the Franchise Tax Board and resolution of the
delinquency has been arranged.
(2) Tax delinquencies for which the Franchise Tax Board has
verified that an active bankruptcy proceeding has been initiated.
(3) Tax delinquencies for which the Franchise Tax Board has
verified that a bankruptcy proceeding has been completed and
there are no assets available with which to pay the delinquent
amount or amounts.
(4) Tax delinquencies that the Franchise Tax Board has
determined to be uncollectible.
(g) A person whose delinquency appears on the list, and who
satisfies that delinquency in whole or in part, may request the
Franchise Tax Board to include in its list any payments that person
made to satisfy the delinquency. Upon receipt of that request, the
Franchise Tax Board shall include those payments on the list as
promptly as feasible.
(h) Notwithstanding subdivision (a), a person whose delinquency
appeared on the list and whose name has been removed pursuant
to paragraph (1) of subdivision (f) shall comply with the terms of
the arranged resolution. If the person fails to do so, the Franchise
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Tax Board may add that person’s name to the list of delinquencies without providing the prior written notice otherwise required by subdivision (d).

SEC. 8.

SEC. 13. Section 19265 is added to the Revenue and Taxation Code, to read:

19265. (a) (1) All state governmental licensing entities issuing professional or occupational licenses, certificates, registrations, or permits shall provide to the Franchise Tax Board the name and social security number or federal taxpayer identification number, as applicable, of each licensee of that state governmental licensing entity.

(2) If any licensee appears on a list of the 250 largest tax delinquencies pursuant to Section 19195, and the license of that licensee has not been suspended, revoked, or denied by the applicable state governmental licensing entity pursuant to Section 494.5 of the Business and Professions Code, then the Franchise Tax Board shall mail a preliminary notice of suspension to the licensee indicating that the license will be suspended by a date certain, which shall be at least 60 days after the mailing of the preliminary notice, unless prior to the date certain the licensee pays the unpaid taxes or enters into an installment payment agreement, as described in Section 19008, to satisfy the unpaid taxes. The preliminary notice shall also advise the licensee of the opportunity to request deferral or cancellation of a suspension pursuant to subdivision (b).

(3) If any licensee subject to paragraph (2) fails to pay the unpaid taxes or to enter into an installment payment agreement, as described in Section 19008, to satisfy the unpaid taxes prior to the date certain listed in the preliminary notice of suspension, his or her license shall be automatically suspended by operation of this section, except as provided in subdivision (b), and the Franchise Tax Board shall provide a notice of suspension to the applicable state governmental licensing entity and shall mail a notice of suspension to the licensee. The rights, powers, and privileges of any licensee whose license to drive a motor vehicle, professional or occupational license, certificate, registration, or permit has been suspended pursuant to this section shall be subject to the same prohibitions, limitations, and restrictions as if the license to drive a motor vehicle, professional or occupational license, certificate,
registration, or permit were suspended by the state governmental licensing entity that issued the professional or occupational license, certificate, registration, or permit.

(4) (A) Upon compliance by the licensee with the tax obligation, either by payment of the unpaid taxes or entry into an installment payment agreement, as described in Section 19008, to satisfy the unpaid taxes, a suspension pursuant to this subdivision shall be canceled. The Franchise Tax Board shall, within 10 business days of compliance by the licensee with the tax obligation, notify both the state governmental licensing entity and the licensee that the unpaid taxes have been paid or that an installment payment agreement, as described in Section 19008, has been entered into to satisfy the unpaid taxes and that the suspension has been canceled.

(B) Whenever a suspension is canceled under this paragraph and the applicable license or licenses have been suspended in error, the Franchise Tax Board shall notify the state governmental licensing entity to reinstate all applicable licenses back to the date of suspension and expunge any notation of that suspension from the licensee’s record.

(5) If a license is not suspended, or if the suspension of a license is canceled, based on the licensee entering into an installment payment agreement as described in Section 19008, and the licensee fails to comply with the terms of the installment payment agreement, that license shall be suspended as of the date that is 30 days after the date of termination of that installment payment agreement. If a license is suspended pursuant to this paragraph, the Franchise Tax Board shall provide notice of suspension to the applicable state governmental licensing entity and mail a notice of suspension to the licensee.

(6) State governmental licensing entities shall provide to the Franchise Tax Board the information required by this subdivision at a time that the Franchise Tax Board may require.

(b) (1) The Franchise Tax Board may defer or cancel any suspension authorized by this section if a licensee is unable to pay the liability due to a current financial hardship. The Franchise Tax Board shall, if requested by the licensee in writing, provide for an administrative hearing to determine if the licensee is unable to pay the liability due to a current financial hardship.
(2) The request for a hearing specified in paragraph (1) shall be made in writing within 30 days from the mailing date of the preliminary notice described in subdivision (a).

(3) The Franchise Tax Board shall conduct a hearing within 30 days after receipt of a request pursuant to paragraph (1), unless the board postpones the hearing, upon a showing of good cause by the licensee, in which case a suspension pursuant to subdivision (a) shall be deferred until the hearing has been completed.

(4) A licensee seeking relief under this subdivision shall only be entitled to relief described in paragraph (1) if the licensee provides the Franchise Tax Board with financial documents that substantiate a financial hardship, and agrees to an acceptable payment arrangement.

(5) If the deferral of a suspension of a license under this subdivision is no longer operative, that license shall be suspended as of the date that is 30 days after the date the deferral is no longer operative. If a license is suspended pursuant to this paragraph, the Franchise Tax Board shall provide notice of suspension to the applicable state governmental licensing entity and mail a notice of suspension to the licensee.

(c) For purposes of this section and Section 19571, the following definitions shall apply:

(1) “Financial hardship” means financial hardship within the meaning of Section 19008, as determined by the Franchise Tax Board, where the licensee is financially unable to pay any part of the amount described in subdivision (a) and the licensee is unable to qualify for an installment payment arrangement as provided for by Section 19008. In order to establish the existence of a financial hardship, the licensee shall submit any information, including information related to reasonable business and personal expenses, requested by the Franchise Tax Board for the purpose of making that determination.

(2) “License” includes a certificate, registration, or any other authorization to engage in a profession or occupation issued by a state governmental licensing entity. “License” includes a driver’s license issued pursuant to Chapter 1 (commencing with Section 12500) of Division 6 of the Vehicle Code.

(3) “Licensee” means an individual authorized by a license to drive a motor vehicle or authorized by a license, certificate,
registration, or other authorization to engage in a profession or occupation issued by a state governmental licensing entity.

(4) “State governmental licensing entity” means any entity listed in Section 101, 1000, or 19420 of the Business and Professions Code, the office of the Attorney General, the Department of Insurance, the Department of Motor Vehicles, the Department of Real Estate, and any other state agency, board, or commission that issues a license, certificate, or registration authorizing an individual to engage in a profession or occupation, including any certificate, business or occupational license, or permit or license issued by the Department of Motor Vehicles or the Department of the California Highway Patrol. “State governmental licensing entity” shall not include the Department of Alcoholic Beverage Control or the State Bar of California.

(d) Notwithstanding any other law, a state governmental licensing entity may, with the approval of the appropriate department director or governing body, impose a fee on licensees whose license has been suspended as described in subdivision (a). The fee shall not exceed the amount necessary for the state governmental licensing entity to cover its costs in carrying out the provisions of this section. Fees imposed pursuant to this section shall be deposited in the fund in which other fees imposed by the state governmental licensing entity are deposited and shall be available to that entity upon appropriation in the annual Budget Act.

(e) The process described in subdivision (b) shall constitute the sole administrative remedy for contesting the suspension of a license under this section. The procedures in the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to the suspension of a license pursuant to this section.

(f) This section shall apply to any licensee whose name appears on a list of the 250 largest tax delinquencies pursuant to Section 19195 on or after January 1, 2012.

SEC. 9. Article 7 (commencing with Section 19291) is added to Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:
Article 7. Collection of Tax Debts Due to the Internal Revenue Service or Other States

19291. (a) The Franchise Tax Board may enter into an agreement to collect any delinquent tax debt due to the Internal Revenue Service or any other state imposing an income tax or tax measured by income if, pursuant to Section 19377.5, the Internal Revenue Service or that state has entered into an agreement to collect delinquent tax debts due the Franchise Tax Board.

(b) Upon written notice to the debtor from the Franchise Tax Board, any amount referred to the Franchise Tax Board under subdivision (a) shall be treated as final and due and payable to the State of California, and shall be collected from the debtor by the Franchise Tax Board in any manner authorized under the law for collection of a delinquent income tax liability, including, but not limited to, the recording of a notice of state tax lien under Article 2 (commencing with Section 7170) of Chapter 14 of Division 7 of Title 1 of the Government Code, and the issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes.

(c) Part 10 (commencing with Section 17001), this part, Part 10.7 (commencing with Section 21001), and Part 11 (commencing with Section 23001) shall apply to amounts referred under this section in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this section, except to the extent that any provision is either inconsistent with this section or is not relevant to this section.

(d) The activities required to implement and administer this section shall not interfere with the primary mission of the Franchise Tax Board to administer Part 10 (commencing with Section 17001) and Part 11 (commencing with Section 23001).

(e) In no event shall a collection under this section be construed as a payment of income taxes imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

SEC. 15. Section 19377.5 is added to the Revenue and Taxation Code, to read:
19377.5. (a) The Franchise Tax Board may enter into an agreement with the Internal Revenue Service or any other state imposing an income tax or tax measured by income for the purpose of collecting delinquent tax debts with respect to amounts assessed or imposed under Part 10 (commencing with Section 17001), this part, or Part 11 (commencing with Section 23001), provided the agreements do not cause the net displacement of civil service employees. The agreement may provide, at the discretion of the Franchise Tax Board, the rate of payment and the manner in which compensation for services shall be paid.

(b) At the discretion of the Franchise Tax Board, the Internal Revenue Service or the other state collecting the tax debt pursuant to subdivision (a) may, as part of the collection process, refer the tax debt for litigation by its legal representatives in the name of the Franchise Tax Board.

(c) For purposes of this section, “displacement” includes layoff, demotion, involuntary transfer to a new class, involuntary transfer to a new location requiring a change of residence, and time base reductions. “Displacement” does not include changes in shifts or days off, nor does it include reassignment to any other position within the same class and general location.

SEC. 11.

Section 19571 is added to the Revenue and Taxation Code, to read:

19571. (a) The Franchise Tax Board may disclose to state governmental licensing entities information regarding suspension of a license pursuant to Section 19265 of this code or Sections 494.5 or 7145.5 of the Business and Professions Code.

(b) Neither the state governmental licensing entity, nor any officer, employee, or agent, or former officer, employee, or agent of a state governmental licensing entity, may disclose or use any information obtained from the Franchise Tax Board, pursuant to this section, except to inform the public of the suspension of a license pursuant to Section 19265 of this code or Sections 494.5 or 7145.5 of the Business and Professions Code.

(c) For purposes of this section, the definitions in Section 19265 shall apply.

SEC. 17. Section 4.5 of this bill incorporates amendments to Section 7145.5 of the Business and Professions Code proposed by both this bill and A.B. 1307. It shall only become operative if (1)
both bills are enacted and become effective on or before January 1, 2012, (2) each bill amends Section 7145.5 of the Business and Professions Code, and (3) this bill is enacted after A.B. 1307, in which case Section 4 of this bill shall not become operative.

SEC. 12.

SEC. 18. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because 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.
17520. (a) As used in this section:

1. "Applicant" means any person applying for issuance or renewal of a license.

2. "Board" means any entity specified in Section 101 of the Business and Professions Code, the entities referred to in Sections 1000 and 3600 of the Business and Professions Code, the State Bar, the Department of Real Estate, the Department of Motor Vehicles, the Secretary of State, the Department of Fish and Game, and any other state commission, department, committee, examiner, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession, or to the extent required by federal law or regulations, for recreational purposes. This term includes all boards, commissions, departments, committees, examiners, entities, and agencies that issue a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession. The failure to specifically name a particular board, commission, department, committee, examiner, entity, or agency that issues a license, certificate, credential, permit, registration, or any other authorization to engage in a business, occupation, or profession does not exclude that board, commission, department, committee, examiner, entity, or agency from this term.

3. "Certified list" means a list provided by the local child support agency to the Department of Child Support Services in which the local child support agency verifies, under penalty of perjury, that the names contained therein are support obligors found to be out of compliance with a judgment or order for support in a case being enforced under Title IV-D of the Social Security Act.

4. "Compliance with a judgment or order for support" means that, as set forth in a judgment or order for child or family support, the obligor is no more than 30 calendar days in arrears in making payments in full for current support, in making periodic payments in full, whether court ordered or by agreement with the local child support agency, on a support arrearage, or in making periodic payments in full, whether court ordered or by agreement with the local child support agency, on a judgment for reimbursement for public assistance, or has obtained a judicial finding that equitable estoppel as provided in statute or case law precludes enforcement of the order. The local child support agency is authorized to use this section to enforce orders for spousal support only when the local child support agency is also enforcing a related child support obligation owed to the obligee parent by the same obligor, pursuant to Sections 17400 and 17604.

5. "License" includes membership in the State Bar, and a certificate, credential, permit, registration, or any other authorization issued by a board that allows a person to engage in a business, occupation, or profession, or to operate a commercial motor vehicle, including appointment and commission by the Secretary of State as a notary public. "License" also includes any driver's...
license issued by the Department of Motor Vehicles, any commercial fishing license issued by the Department of Fish and Game, and to the extent required by federal law or regulations, any license used for recreational purposes. This term includes all licenses, certificates, credentials, permits, registrations, or any other authorization issued by a board that allows a person to engage in a business, occupation, or profession. The failure to specifically name a particular type of license, certificate, credential, permit, registration, or other authorization issued by a board that allows a person to engage in a business, occupation, or profession, does not exclude that license, certificate, credential, permit, registration, or other authorization from this term.

(6) "Licensee" means any person holding a license, certificate, credential, permit, registration, or other authorization issued by a board, to engage in a business, occupation, or profession, or a commercial driver's license as defined in Section 15210 of the Vehicle Code, including an appointment and commission by the Secretary of State as a notary public. "Licensee" also means any person holding a driver's license issued by the Department of Motor Vehicles, any person holding a commercial fishing license issued by the Department of Fish and Game, and to the extent required by federal law or regulations, any person holding a license used for recreational purposes. This term includes all persons holding a license, certificate, credential, permit, registration, or other authorization to engage in a business, occupation, or profession, and the failure to specifically name a particular type of license, certificate, credential, permit, registration, or other authorization issued by a board does not exclude that person from this term. For licenses issued to an entity that is not an individual person, "licensee" includes any individual who is either listed on the license or who qualifies for the license.

(b) The local child support agency shall maintain a list of those persons included in a case being enforced under Title IV-D of the Social Security Act against whom a support order or judgment has been rendered by, or registered in, a court of this state, and who are not in compliance with that order or judgment. The local child support agency shall submit a certified list with the names, social security numbers, and last known addresses of these persons and the name, address, and telephone number of the local child support agency who certified the list to the department. The local child support agency shall verify, under penalty of perjury, that the persons listed are subject to an order or judgment for the payment of support and that these persons are not in compliance with the order or judgment. The local child support agency shall submit to the department an updated certified list on a monthly basis.

(c) The department shall consolidate the certified lists received from the local child support agencies and, within 30 calendar days of receipt, shall provide a copy of the consolidated list to each board that is responsible for the regulation of licenses, as specified in this section.

(d) On or before November 1, 1992, or as soon thereafter as economically feasible, as determined by the department, all boards subject to this section shall implement procedures to accept and process the list provided by the department, in accordance with this section. Notwithstanding any other law, all boards shall collect social security numbers from all applicants for the purposes of matching the names of the certified list provided by the department.
to applicants and licensees and of responding to requests for this
information made by child support agencies.

(e) (1) Promptly after receiving the certified consolidated list
from the department, and prior to the issuance or renewal of a
license, each board shall determine whether the applicant is on the
most recent certified consolidated list provided by the department.
The board shall have the authority to withhold issuance or renewal of
the license of any applicant on the list.

(2) If an applicant is on the list, the board shall immediately
serve notice as specified in subdivision (f) on the applicant of the
board's intent to withhold issuance or renewal of the license. The
notice shall be made personally or by mail to the applicant's last
known mailing address on file with the board. Service by mail shall
be complete in accordance with Section 1013 of the Code of Civil
Procedure.

(A) The board shall issue a temporary license valid for a period
of 150 days to any applicant whose name is on the certified list if
the applicant is otherwise eligible for a license.

(B) Except as provided in subparagraph (D), the 150-day time
period for a temporary license shall not be extended. Except as
provided in subparagraph (D), only one temporary license shall be
issued during a regular license term and it shall coincide with the
first 150 days of that license term. As this paragraph applies to
commercial driver's licenses, "license term" shall be deemed to be 12
months from the date the application fee is received by the
Department of Motor Vehicles. A license for the full or remainder of
the license term shall be issued or renewed only upon compliance with
this section.

(C) In the event that a license or application for a license or
the renewal of a license is denied pursuant to this section, any
funds paid by the applicant or licensee shall not be refunded by the
board.

(D) This paragraph shall apply only in the case of a driver's
license, other than a commercial driver's license. Upon the request
of the local child support agency or by order of the court upon a
showing of good cause, the board shall extend a 150-day temporary
license for a period not to exceed 150 extra days.

(3) (A) The department may, when it is economically feasible for
the department and the boards to do so as determined by the
department, in cases where the department is aware that certain child
support obligors listed on the certified lists have been out of
compliance with a judgment or order for support for more than four
months, provide a supplemental list of these obligors to each board
with which the department has an interagency agreement to implement
this paragraph. Upon request by the department, the licenses of these
obligors shall be subject to suspension, provided that the licenses
would not otherwise be eligible for renewal within six months from
the date of the request by the department. The board shall have the
authority to suspend the license of any licensee on this supplemental
list.

(B) If a licensee is on a supplemental list, the board shall
immediately serve notice as specified in subdivision (f) on the
licensee that his or her license will be automatically suspended 150
days after notice is served, unless compliance with this section is
achieved. The notice shall be made personally or by mail to the
licensee's last known mailing address on file with the board. Service
by mail shall be complete in accordance with Section 1013 of the
Code of Civil Procedure.

(C) The 150-day notice period shall not be extended.

(D) In the event that any license is suspended pursuant to this section, any funds paid by the licensee shall not be refunded by the board.

(E) This paragraph shall not apply to licenses subject to annual renewal or annual fee.

(f) Notices shall be developed by each board in accordance with guidelines provided by the department and subject to approval by the department. The notice shall include the address and telephone number of the local child support agency that submitted the name on the certified list, and shall emphasize the necessity of obtaining a release from that local child support agency as a condition for the issuance, renewal, or continued valid status of a license or licenses.

(1) In the case of applicants not subject to paragraph (3) of subdivision (e), the notice shall inform the applicant that the board shall issue a temporary license, as provided in subparagraph (A) of paragraph (2) of subdivision (e), for 150 calendar days if the applicant is otherwise eligible and that upon expiration of that time period the license will be denied unless the board has received a release from the local child support agency that submitted the name on the certified list.

(2) In the case of licensees named on a supplemental list, the notice shall inform the licensee that his or her license will continue in its existing status for no more than 150 calendar days from the date of mailing or service of the notice and thereafter will be suspended indefinitely unless, during the 150-day notice period, the board has received a release from the local child support agency that submitted the name on the certified list. Additionally, the notice shall inform the licensee that any license suspended under this section will remain so until the expiration of the remaining license term, unless the board receives a release along with applications and fees, if applicable, to reinstate the license during the license term.

(3) The notice shall also inform the applicant or licensee that if an application is denied or a license is suspended pursuant to this section, any funds paid by the applicant or licensee shall not be refunded by the board. The Department of Child Support Services shall also develop a form that the applicant shall use to request a review by the local child support agency. A copy of this form shall be included with every notice sent pursuant to this subdivision.

(g) (1) Each local child support agency shall maintain review procedures consistent with this section to allow an applicant to have the underlying arrearage and any relevant defenses investigated, to provide an applicant information on the process of obtaining a modification of a support order, or to provide an applicant assistance in the establishment of a payment schedule on arrearages if the circumstances so warrant.

(2) It is the intent of the Legislature that a court or local child support agency, when determining an appropriate payment schedule for arrearages, base its decision on the facts of the particular case and the priority of payment of child support over other debts. The payment schedule shall also recognize that certain expenses may be essential to enable an obligor to be employed. Therefore, in reaching its decision, the court or the local child support agency shall consider both of these goals in setting a
payment schedule for arrearages.

(h) If the applicant wishes to challenge the submission of his or her name on the certified list, the applicant shall make a timely written request for review to the local child support agency who certified the applicant's name. A request for review pursuant to this section shall be resolved in the same manner and timeframe provided for resolution of a complaint pursuant to Section 17800. The local child support agency shall immediately send a release to the appropriate board and the applicant, if any of the following conditions are met:

(1) The applicant is found to be in compliance or negotiates an agreement with the local child support agency for a payment schedule on arrearages or reimbursement.

(2) The applicant has submitted a request for review, but the local child support agency will be unable to complete the review and send notice of its findings to the applicant within the time specified in Section 17800.

(3) The applicant has filed and served a request for judicial review pursuant to this section, but a resolution of that review will not be made within 150 days of the date of service of notice pursuant to subdivision (f). This paragraph applies only if the delay in completing the judicial review process is not the result of the applicant's failure to act in a reasonable, timely, and diligent manner upon receiving the local child support agency's notice of findings.

(4) The applicant has obtained a judicial finding of compliance as defined in this section.

(i) An applicant is required to act with diligence in responding to notices from the board and the local child support agency with the recognition that the temporary license will lapse or the license suspension will go into effect after 150 days and that the local child support agency and, where appropriate, the court must have time to act within that period. An applicant's delay in acting, without good cause, which directly results in the inability of the local child support agency to complete a review of the applicant's request or the court to hear the request for judicial review within the 150-day period shall not constitute the diligence required under this section which would justify the issuance of a release.

(j) Except as otherwise provided in this section, the local child support agency shall not issue a release if the applicant is not in compliance with the judgment or order for support. The local child support agency shall notify the applicant in writing that the applicant may, by filing an order to show cause or notice of motion, request any or all of the following:

(1) Judicial review of the local child support agency's decision not to issue a release.

(2) A judicial determination of compliance.

(3) A modification of the support judgment or order.

The notice shall also contain the name and address of the court in which the applicant shall file the order to show cause or notice of motion and inform the applicant that his or her name shall remain on the certified list if the applicant does not timely request judicial review. The applicant shall comply with all statutes and rules of court regarding orders to show cause and notices of motion.

Nothing in this section shall be deemed to limit an applicant from filing an order to show cause or notice of motion to modify a support judgment or order or to fix a payment schedule on arrearages.
accruing under a support judgment or order or to obtain a court finding of compliance with a judgment or order for support.

(k) The request for judicial review of the local child support agency's decision shall state the grounds for which review is requested and judicial review shall be limited to those stated grounds. The court shall hold an evidentiary hearing within 20 calendar days of the filing of the request for review. Judicial review of the local child support agency's decision shall be limited to a determination of each of the following issues:

1. Whether there is a support judgment, order, or payment schedule on arrearages or reimbursement.
2. Whether the petitioner is the obligor covered by the support judgment or order.
3. Whether the support obligor is or is not in compliance with the judgment or order of support.
4. (A) The extent to which the needs of the obligor, taking into account the obligor's payment history and the current circumstances of both the obligor and the obligee, warrant a conditional release as described in this subdivision.
   (B) The request for judicial review shall be served by the applicant upon the local child support agency that submitted the applicant's name on the certified list within seven calendar days of the filing of the petition. The court has the authority to uphold the action, unconditionally release the license, or conditionally release the license.
   (C) If the judicial review results in a finding by the court that the obligor is in compliance with the judgment or order for support, the local child support agency shall immediately send a release in accordance with subdivision (l) to the appropriate board and the applicant. If the judicial review results in a finding by the court that the needs of the obligor warrant a conditional release, the court shall make findings of fact stating the basis for the release and the payment necessary to satisfy the unrestricted issuance or renewal of the license without prejudice to a later judicial determination of the amount of support arrearages, including interest, and shall specify payment terms, compliance with which are necessary to allow the release to remain in effect.

(l) The department shall prescribe release forms for use by local child support agencies. When the obligor is in compliance, the local child support agency shall mail to the applicant and the appropriate board a release stating that the applicant is in compliance. The receipt of a release shall serve to notify the applicant and the board that, for the purposes of this section, the applicant is in compliance with the judgment or order for support. Any board that has received a release from the local child support agency pursuant to this subdivision shall process the release within five business days of its receipt.

If the local child support agency determines subsequent to the issuance of a release that the applicant is once again not in compliance with a judgment or order for support, or with the terms of repayment as described in this subdivision, the local child support agency may notify the board, the obligor, and the department in a format prescribed by the department that the obligor is not in compliance.

The department may, when it is economically feasible for the department and the boards to develop an automated process for complying with this subdivision, notify the boards in a manner
prescribed by the department, that the obligor is once again not in compliance. Upon receipt of this notice, the board shall immediately notify the obligor on a form prescribed by the department that the obligor's license will be suspended on a specific date, and this date shall be no longer than 30 days from the date the form is mailed. The obligor shall be further notified that the license will remain suspended until a new release is issued in accordance with subdivision (h). Nothing in this section shall be deemed to limit the obligor from seeking judicial review of suspension pursuant to the procedures described in subdivision (k).

(m) The department may enter into interagency agreements with the state agencies that have responsibility for the administration of boards necessary to implement this section, to the extent that it is cost-effective to implement this section. These agreements shall provide for the receipt by the other state agencies and boards of federal funds to cover that portion of costs allowable in federal law and regulation and incurred by the state agencies and boards in implementing this section. Notwithstanding any other provision of law, revenue generated by a board or state agency shall be used to fund the nonfederal share of costs incurred pursuant to this section. These agreements shall provide that boards shall reimburse the department for the nonfederal share of costs incurred by the department in implementing this section. The boards shall reimburse the department for the nonfederal share of costs incurred pursuant to this section from moneys collected from applicants and licensees.

(n) Notwithstanding any other provision of law, in order for the boards subject to this section to be reimbursed for the costs incurred in administering its provisions, the boards may, with the approval of the appropriate department director, levy on all licensees and applicants a surcharge on any fee or fees collected pursuant to law, or, alternatively, with the approval of the appropriate department director, levy on the applicants or licensees named on a certified list or supplemental list, a special fee.

(o) The process described in subdivision (h) shall constitute the sole administrative remedy for contesting the issuance of a temporary license or the denial or suspension of a license under this section. The procedures specified in the administrative adjudication provisions of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to the denial, suspension, or failure to issue or renew a license or the issuance of a temporary license pursuant to this section.

(p) In furtherance of the public policy of increasing child support enforcement and collections, on or before November 1, 1995, the State Department of Social Services shall make a report to the Legislature and the Governor based on data collected by the boards and the district attorneys in a format prescribed by the State Department of Social Services. The report shall contain all of the following:

1. The number of delinquent obligors certified by district attorneys under this section.
2. The number of support obligors who also were applicants or licensees subject to this section.
3. The number of new licenses and renewals that were delayed, temporary licenses issued, and licenses suspended subject to this section and the number of new licenses and renewals granted and
licenses reinstated following board receipt of releases as provided by subdivision (h) by May 1, 1995.

(4) The costs incurred in the implementation and enforcement of this section.

(g) Any board receiving an inquiry as to the licensed status of an applicant or licensee who has had a license denied or suspended under this section or has been granted a temporary license under this section shall respond only that the license was denied or suspended or the temporary license was issued pursuant to this section.

Information collected pursuant to this section by any state agency, board, or department shall be subject to the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

(r) Any rules and regulations issued pursuant to this section by any state agency, board, or department may be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of these regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare. The regulations shall become effective immediately upon filing with the Secretary of State.

(s) The department and boards, as appropriate, shall adopt regulations necessary to implement this section.

(t) The Judicial Council shall develop the forms necessary to implement this section, except as provided in subdivisions (f) and (l).

(u) The release or other use of information received by a board pursuant to this section, except as authorized by this section, is punishable as a misdemeanor.

(v) The State Board of Equalization shall enter into interagency agreements with the department and the Franchise Tax Board that will require the department and the Franchise Tax Board to maximize the use of information collected by the State Board of Equalization, for child support enforcement purposes, to the extent it is cost-effective and permitted by the Revenue and Taxation Code.

(w) (1) The suspension or revocation of any driver's license, including a commercial driver's license, under this section shall not subject the licensee to vehicle impoundment pursuant to Section 14602.6 of the Vehicle Code.

(2) Notwithstanding any other provision of law, the suspension or revocation of any driver's license, including a commercial driver's license, under this section shall not subject the licensee to increased costs for vehicle liability insurance.

(x) If any provision of this section or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

(y) All rights to administrative and judicial review afforded by this section to an applicant shall also be afforded to a licensee.

17521. The order to show cause or notice of motion described in subdivision (j) of Section 17520 shall be filed and heard in the superior court.