

Board Statistics

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.

License type	Processing Times
MFT Intern	29 days
MFT Examination	163 days
ASW	40 days
LCSW Examination	72 days
LEP Examination	175 days
CE Provider	72 days

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, 1011.

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.

Category	Current Quarter Rating (2 nd Qtr.)	Previous Quarter Rating (1 st Qtr.)	Prior Year Rating (2 nd Qtr.)
Overall Satisfaction	2.9	2.9	3.1
Successful Service	54.0	50.0	57.0
Accessibility	2.7	2.6	2.9
Courtesy	3.6	3.9	3.6

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

Items on the report are aggregated by quarter. The top of the column indicates the quarter and the year (Q109 = 1/2009-3/2009; Q209 = 4/2009-6/2009). Common abbreviations for licensees and registrants: LCSW = Licensed Clinical Social Worker; LEP = Licensed Educational Psychologist; MFT = Marriage and Family Therapist; ASW = Associate Clinical Social Worker; PCE = Continuing Education Provider. Other common abbreviations: Proc = Process; Def = Deficiency; CV= Clinical Vignette; AG = Attorney General.

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.

Renewals Processed In-House

Sparkbars (Current Val) (Low/High)

	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
2267 [1509 2267] Processed	1681	1524	1509	1571	1898	1587	1581	2267	13618
2015 [1124 2015] Received	1580	1449	1336	1374	1665	1487	1124	2015	12030
23 [8 23] Proc Time	9	9	11	12	8	10	22	23	13

ATS Cashiering Items (e.g. exam eligibility apps, registration apps, etc)

	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
5650 [4279 5864] Processed	5454	4400	4624	5161	5864	4696	4279	5650	40128
5315 [4446 5742] Received	5362	4446	4752	5207	5742	4611	4512	5315	39947
9 [4 12] Proc Time	4	4	6	6	6	10	12	9	7

Initial Licenses Issued*

	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
319 [172 319] LCS	265	227	195	172	191	209	173	319	1751
20 [12 36] LEP	34	21	14	12	36	12	13	20	162
456 [221 456] MFT	305	302	314	352	342	409	221	456	2701
42 [38 72] PCE	72	68	54	65	66	38	59	42	464

*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 *

Complaints	Q110	Q210	Q310	Q410	Q111	Q211			YTD
Received	265	247	261	242	210	259			1484
Closed without Assignment for Investigation	0	0	0	0	0	0			0
Assigned for Investigation	264	247	261	242	210	259			1483
Average Days to Close or Assigned for Investigation	6	6	7	6	5	4			+
Pending	1	0	0	0	0	0			0

Convictions/Arrest Reports	Q110	Q210	Q310	Q410	Q111	Q211			YTD
Received	259	289	315	258	228	207			1556
Closed / Assigned for Investigation	259	290	315	258	228	208			1558
Average Days to Close	3	4	4	2	4	4			+
Pending	0	0	0	0	0	0			0

Investigation**

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

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

Field Investigation (Sworn)	Q110	Q210	Q310	Q410	Q111	Q211			YTD
Assigned	1	3	9	6	2	12			33
Closed	7	6	4	6	4	6			33
Average Days to Close	786	591	927	518	362	450			+
Pending	20	17	22	20	18	24			24

All Investigations	Q110	Q210	Q310	Q410	Q111	Q211			YTD
First Assignments	526	537	576	500	438	467			3044
Closed	440	566	461	414	509	600			2990
Average Days to Close	119	103	135	138	142	149			+
Pending	671	653	771	863	798	675			675

Enforcement Actions

This section does not include subsequent discipline on a license.

	Q110	Q210	Q310	Q410	Q111	Q211			YTD
AG Cases Initiated	20	29	35	19	22	41			166
AG Cases Pending	147	147	153	155	138	157			157
SOIs Filed									
SOIs Filed	7	6	4	3	8	2			30
Accusations Filed									
Accusations Filed	12	26	27	17	18	14			114
Proposed/Default Decisions Adopted									
Proposed/Default Decisions Adopted	3	5	11	11	12	5			47
Stipulations Adopted									
Stipulations Adopted	6	18	12	11	12	14			73
Disciplinary Orders									
Final Orders (Proposed Decisions Adopted, Default Decisions, Stipulations)									
Final Orders (Proposed Decisions Adopted, Default Decisions, Stipulations)	9	23	23	22	24	19			120
Average Days to Complete***									
Average Days to Complete***	799	743	792	729	911	776			+
Citations									
Final Citations									
Final Citations	41	75	20	18	9	15			178
Average Days to Complete****									
Average Days to Complete****	88	89	294	293	306	269			+

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

	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg	
 406 [298 406]	Received	312	312	370	331	298	301	329	406	2659
 311 [249 386]	Approved	279	269	318	386	249	268	272	311	2352
 75 [44 75]	Proc Time	45	44	50	49	53	66	68	75	56
 40 [15 40]	Proc Time Less Def Lapse	17	18	19	15	15	30	35	40	24

MFT Examination Eligibility Applications

		Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
 500 [436 550]	Received	453	436	477	550	504	455	502	500	3877
 367 [270 506]	Approved	270	401	450	506	341	301	341	367	2977
 161 [67 161]	Proc Time	68	78	80	67	83	116	149	161	100
 137 [33 137]	Proc Time Less Def Lapse	33	50	55	49	56	87	117	137	73

LEP Examination Eligibility Applications

		Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
 24 [15 58]	Received	58	19	22	28	53	18	15	24	237
 12 [12 56]	Approved	56	32	23	27	33	28	20	12	231
 127 [26 127]	Proc Time	42	67	68	82	26	63	97	127	72
 28 [13 39]	Proc Time Less Def Lapse	25	19	13	39	14	26	29	28	24

ASW Registration Applications

		Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
 689 [384 875]	Received	757	437	384	575	875	452	409	689	4578
 433 [352 861]	Approved	837	459	352	487	861	459	389	433	4277
 46 [18 46]	Proc Time	18	22	27	18	21	40	46	46	30
 40 [11 40]	Proc Time Less Def Lapse	11	18	19	13	15	34	35	40	23

MFT Intern Registration Applications

		Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total/Avg
 884 [679 1256]	Received	1256	679	690	790	1255	756	756	884	7066
 789 [657 1220]	Approved	1220	727	657	682	1142	919	677	789	6813
 32 [18 37]	Proc Time	18	28	29	25	26	33	37	32	29
 28 [13 30]	Proc Time Less Def Lapse	13	21	22	19	21	27	30	28	23

Examination Unit

The Board's Examination Unit processes complaints and performs other administrative functions relating to the Board's examination processes.

Exam Administration

	Q309	Q409	Q110	Q210	Q310	Q410	Q111	Q211	Total
Total Exams Administered	2207	2024	1795	2237	1988	2057	1887	2162	16357
LCSW Written	373	461	450	537	401	475	506	526	3729
LCSW CV	372	413	306	384	332	384	370	415	2976
MFT Written	611	556	514	663	621	517	541	606	4629
MFT CV	799	556	499	611	568	650	441	575	4699
LEP	52	38	26	42	66	31	29	40	324

Customer Satisfaction Survey

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

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

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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.

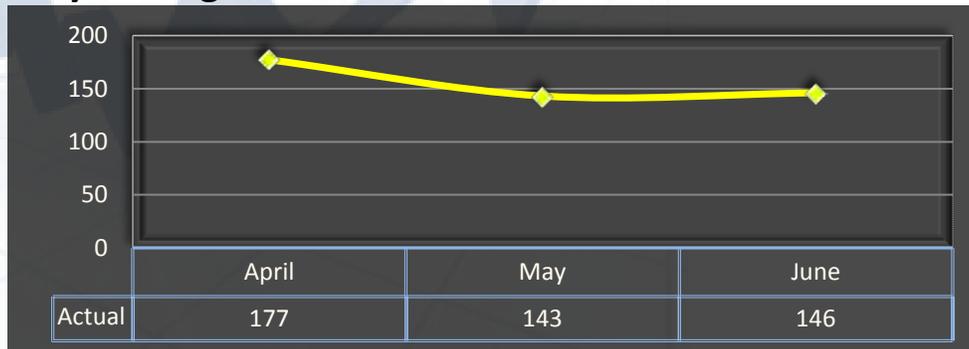
Volume

Number of complaints and convictions received.

Q4 Total: 466

Complaints: 259 Convictions: 207

Q4 Monthly Average: 155

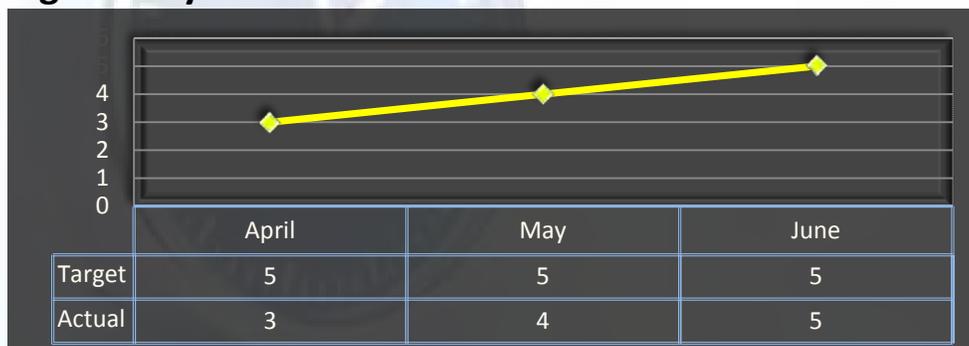


Intake

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

Target: 5 Days

Q4 Average: 4 Days

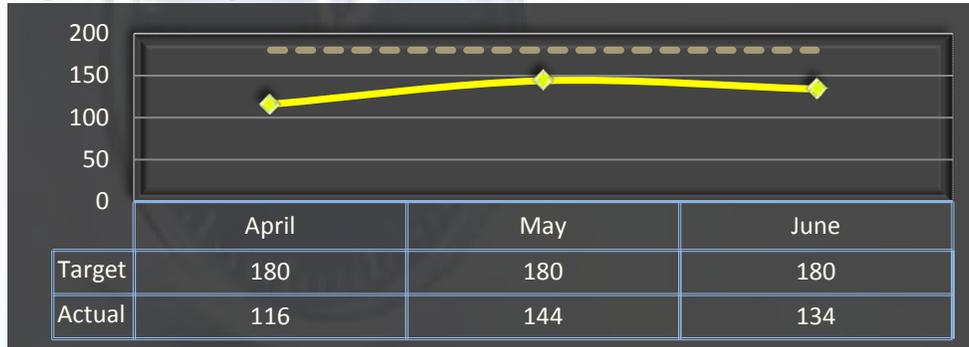


Intake & Investigation

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

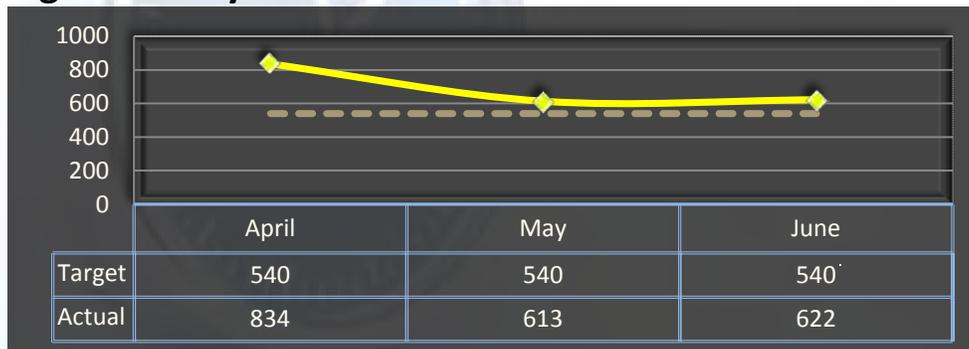


Formal Discipline

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

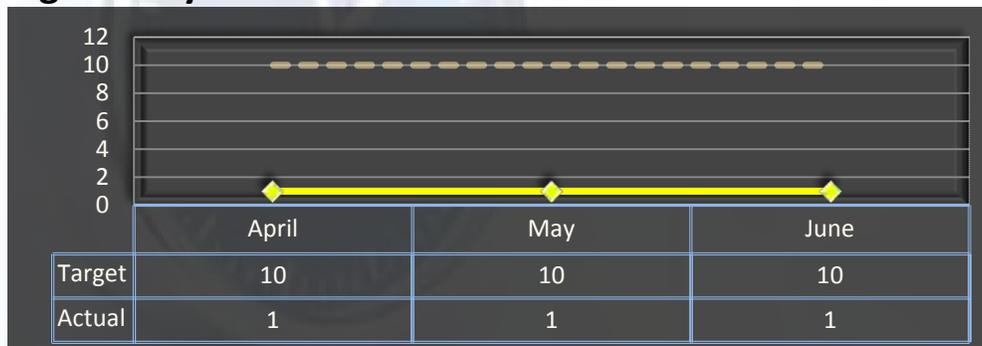


Probation Intake

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



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

Annual Report (2010 – 2011 Fiscal Year)

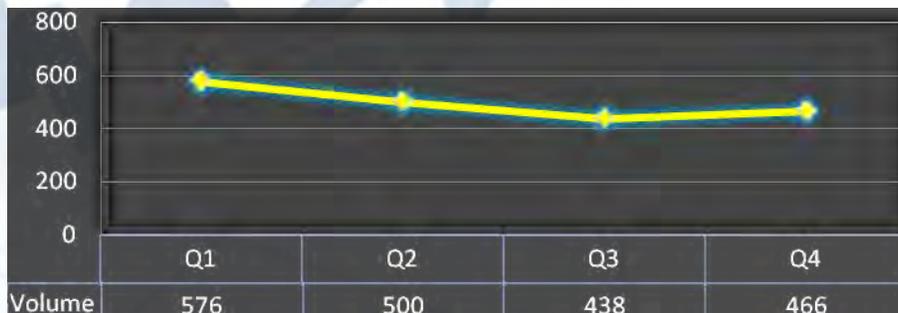
To ensure stakeholders can review the Board's progress in meeting its enforcement goals and targets, we have developed a transparent system of performance measurement. These measures are posted publicly on a quarterly basis.

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.



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.



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.



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.



Probation Intake

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

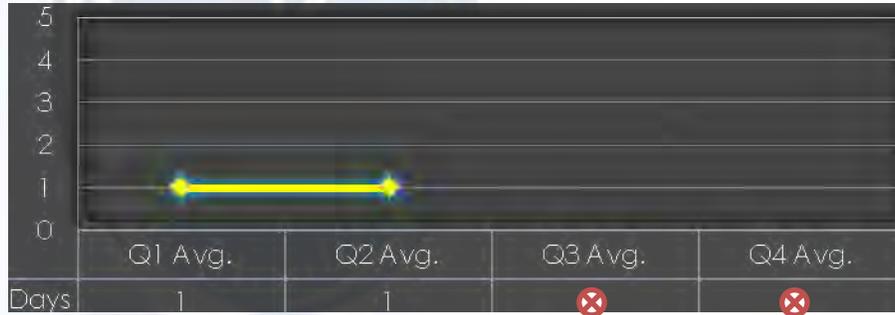
The Board has set a target of 10 days for this measure.



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.



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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))

- 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 whose 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 than 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

license only. 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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AMENDED IN SENATE JULY 12, 2011

AMENDED IN SENATE JUNE 7, 2011

AMENDED IN SENATE JUNE 6, 2011

AMENDED IN ASSEMBLY MAY 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1424

Introduced by Assembly Member Perea

March 22, 2011

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~~ *12419.13* to the Government Code, to add Section 10295.4 to the Public Contract Code, and to amend ~~Section Sections~~ *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, and

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~~ 500 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 licence 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~~ *either* 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~~ *either* list of the ~~250~~ 500 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~~ *either* list of the ~~250~~ 500 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~~ 500 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.

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

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

1 SECTION 1. Section 31 of the Business and Professions Code
 2 is amended to read:

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

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

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

16 (d) Each licensee whose name appears on a list of the ~~250~~ 500
 17 largest tax delinquencies pursuant to Section ~~7063~~ or 19195 of the
 18 Revenue and Taxation Code shall be subject to Section 494.5 or
 19 7145.5 or to Section ~~6834~~ or 19265 of the Revenue and Taxation
 20 Code.

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

27 (f) *For purposes of this section, “tax obligation” means the tax*
 28 *imposed under, or in accordance with, Part 1 (commencing with*
 29 *Section 6001), Part 1.5 (commencing with Section 7200), Part 1.6*
 30 *(commencing with Section 7251), Part 1.7 (commencing with*

1 *Section 7285), Part 10 (commencing with Section 17001), and*
2 *Part 11 (commencing with Section 23001) of Division 2 of the*
3 *Revenue and Taxation Code.*

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

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

12 (b) Section 494.5 shall apply to the licensure of persons
13 authorized to practice law pursuant to Chapter 4 (commencing
14 with Section 6000) of Division 3, and the licensure or registration
15 of persons pursuant to Chapter 5 (commencing with Section 19800)
16 of Division 8 or pursuant to Division 9 (commencing with Section
17 23000).

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

20 494.5. (a) A state governmental licensing entity may refuse
21 to issue, reactivate, reinstate, or renew a license or may suspend
22 a license if a licensee's name is included on a certified list.

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

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

34 (b) For purposes of this section:

35 (1) "Certified list" means ~~a~~ *either* list provided by the *State*
36 *Board of Equalization or the Franchise Tax Board* of persons
37 whose names appear on ~~a list~~ *the lists* of the ~~250~~ *500* largest tax
38 delinquencies pursuant to Section *7063 or* 19195 of the Revenue
39 and Taxation Code.

1 (2) “License” includes a certificate, registration, or any other
 2 authorization to engage in a profession or occupation issued by a
 3 state governmental licensing entity. “License” includes a driver’s
 4 license issued pursuant to Chapter 1 (commencing with Section
 5 12500) of Division 6 of the Vehicle Code.

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

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

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

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

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

39 (e) (1) Each state governmental licensing entity shall determine
 40 whether an applicant or licensee is on the most recent certified list

1 provided by *the State Board of Equalization and the Franchise*
2 *Tax Board*. The state governmental licensing entity shall have the
3 authority to withhold issuance or renewal of the license of any
4 applicant ~~on the~~ *either* list or to suspend the license of any licensee
5 ~~on the~~ *either* list.

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

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

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

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

30 (f) A state governmental licensing entity shall make a final
31 determination to refuse to issue or to suspend a license pursuant
32 to this section no sooner than 30 days and no later than 90 days of
33 the mailing of the preliminary notice described in paragraph (2)
34 of subdivision (e). The procedures in the administrative
35 adjudication provisions of the Administrative Procedure Act
36 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
37 (commencing with Section 11500) of Part 1 of Division 3 of Title
38 2 of the Government Code) shall not apply to the revocation or
39 suspension of a license pursuant to this section.

1 (g) Notices shall be developed by each state governmental
2 licensing entity. ~~The~~ For an applicant or licensee on the State
3 Board of Equalization's certified list, the notice shall include the
4 address and telephone number of the State Board of Equalization,
5 and shall emphasize the necessity of obtaining a release from the
6 State Board of Equalization as a condition for the issuance,
7 renewal, or continued valid status of a license or licenses. For an
8 applicant or licensee on the Franchise Tax Board's certified list,
9 the notice shall include the address and telephone number of the
10 Franchise Tax Board, and shall emphasize the necessity of
11 obtaining a release from the Franchise Tax Board as a condition
12 for the issuance, renewal, or continued valid status of a license or
13 licenses.

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

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

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

34 (h) If the applicant or licensee wishes to challenge the
35 submission of his or her name on a certified list, the applicant or
36 licensee shall make a timely written request for release to *the State*
37 *Board of Equalization or* the Franchise Tax ~~Board~~ Board,
38 *whichever is applicable*. The *State Board of Equalization or the*
39 Franchise Tax Board shall immediately send a release to the

1 appropriate state governmental licensing entity and the applicant
2 or licensee, if any of the following conditions are met:

3 (1) The applicant or licensee has complied with the tax
4 obligation, either by payment of the unpaid taxes or entry into an
5 installment payment agreement, as described in Section 6832 or
6 19008 of the Revenue and Taxation Code, to satisfy the unpaid
7 taxes.

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

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

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

1 state governmental licensing entity or *the State Board of*
2 *Equalization* or the Franchise Tax Board and that any delay was
3 not without good cause.

4 (j) The *State Board of Equalization* or the Franchise Tax Board
5 shall create release forms for use pursuant to this section. When
6 the applicant or licensee has complied with the tax obligation,
7 either by payment of the unpaid taxes or entry into an installment
8 payment agreement, *the State Board of Equalization* or the
9 Franchise Tax Board, *whichever is applicable*, shall mail a release
10 form to the applicant or licensee and provide a release to the
11 appropriate state governmental licensing entity. Any state
12 governmental licensing entity that has received a release from *the*
13 *State Board of Equalization* and the Franchise Tax Board pursuant
14 to this subdivision shall process the release within five business
15 days of its receipt. If *the State Board of Equalization* or the
16 Franchise Tax Board determines subsequent to the issuance of a
17 release that the licensee has not complied with their installment
18 payment agreement, *the State Board of Equalization* or the
19 Franchise Tax Board, *whichever is applicable*, may notify the state
20 governmental licensing entity and the licensee in a format
21 prescribed by *the State Board of Equalization* and the Franchise
22 Tax Board that the licensee is not in compliance and the release
23 shall be rescinded. The *State Board of Equalization* and the
24 Franchise Tax Board may, when it is economically feasible for
25 the state governmental licensing entity to develop an automated
26 process for complying with this subdivision, notify the state
27 governmental licensing entity in a manner prescribed by *the State*
28 *Board of Equalization* and the Franchise Tax Board, that the
29 licensee has not complied with the installment payment agreement.
30 Upon receipt of this notice, the state governmental licensing entity
31 shall immediately notify the licensee on a form prescribed by the
32 state governmental licensing entity that the licensee's license will
33 be suspended on a specific date, and this date shall be no longer
34 than 30 days from the date the form is mailed. The licensee shall
35 be further notified that the license will remain suspended until a
36 new release is issued in accordance with subdivision (h).

37 (k) The *State Board of Equalization* and the Franchise Tax
38 Board may enter into interagency agreements with the state
39 governmental licensing entities necessary to implement this section,
40 to the extent that it is cost effective to implement this section.

1 (l) Notwithstanding any other law, a state governmental
2 licensing entity, with the approval of the appropriate department
3 director or governing body, may impose a fee on a licensee whose
4 license has been suspended pursuant to this section. The fee shall
5 not exceed the amount necessary for the state governmental
6 licensing entity to cover its costs in carrying out the provisions of
7 this section. Fees imposed pursuant to this section shall be
8 deposited in the fund in which other fees imposed by the state
9 governmental licensing entity are deposited and shall be available
10 to that entity upon appropriation in the annual Budget Act.

11 (m) The process described in subdivision (h) shall constitute
12 the sole administrative remedy for contesting the issuance of a
13 temporary license or the denial or suspension of a license under
14 this section. The procedures specified in the administrative
15 adjudication provisions of the Administrative Procedure Act
16 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
17 (commencing with Section 11500) of Part 1 of Division 3 of Title
18 2 of the Government Code) shall not apply to the denial,
19 suspension, or failure to issue or renew a license or the issuance
20 of a temporary license pursuant to this section.

21 (n) Any state governmental licensing entity receiving an inquiry
22 as to the licensed status of an applicant or licensee who has had a
23 license denied or suspended under this section or who has been
24 granted a temporary license under this section shall respond only
25 that the license was denied or suspended or the temporary license
26 was issued pursuant to this section. Information collected pursuant
27 to this section by any state agency, board, or department shall be
28 subject to the Information Practices Act of 1977 (Chapter 1
29 (commencing with Section 1798) of Title 1.8 of Part 4 of Division
30 3 of the Civil Code).

31 (o) Any rules and regulations issued pursuant to this section by
32 any state agency, board, or department may be adopted as
33 emergency regulations in accordance with the rulemaking
34 provisions of the Administrative Procedure Act (Chapter 3.5
35 (commencing with Section 11340) of Part 1 of Division 3 of Title
36 2 of the Government Code). The adoption of these regulations
37 shall be deemed an emergency and necessary for the immediate
38 preservation of the public peace, health, and safety, or general
39 welfare. The regulations shall become effective immediately upon
40 filing with the Secretary of State.

1 (p) The *State Board of Equalization*, the Franchise Tax Board,
2 and state governmental licensing entities, as appropriate, shall
3 adopt regulations as necessary to implement this section.

4 (q) (1) Neither the state governmental licensing entity, nor any
5 officer, employee, or agent, or former officer, employee, or agent
6 of a state governmental licensing entity, may disclose or use any
7 information obtained from *the State Board of Equalization* or the
8 Franchise Tax Board, pursuant to this section, except to inform
9 the public of the suspension of a license pursuant to this section.

10 The release or other use of information received by a state
11 governmental licensing entity pursuant to this section, except as
12 authorized by this section, is punishable as a misdemeanor. This
13 subdivision may not be interpreted to prevent the State Bar of
14 California from filing a request with the Supreme Court of
15 California to suspend a member of the bar pursuant to this section.

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

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

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

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

34 (2) If the state governmental licensing entity has not suspended,
35 revoked, or denied the renewal of a license within 90 days of the
36 mailing of the preliminary notice as described in subdivision (e),
37 the state governmental licensing entity shall promptly notify *the*
38 *State Board of Equalization* or the Franchise Tax Board, *whichever*
39 *is applicable*, and the licensee. The notification shall include the

1 reason why no action was taken by the state governmental licensing
2 entity.

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

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

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

18 (w) This section shall apply to any licensee whose name appears
19 ~~on a list~~ *the lists* of the ~~250~~ 500 largest tax delinquencies pursuant
20 to ~~Section~~ *Sections 7063 and 19195* of the Revenue and Taxation
21 Code on or after January 1, 2012.

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

24 7145.5. (a) The registrar may refuse to issue, reinstate,
25 reactivate, or renew a license or may suspend a license for the
26 failure of a licensee to resolve all outstanding final liabilities, which
27 include taxes, additions to tax, penalties, interest, and any fees that
28 may be assessed by the board, the Department of Industrial
29 Relations, the Employment Development Department, or the
30 Franchise Tax Board.

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

37 (2) The license of any other renewable licensed entity with any
38 of the same personnel of record that have been assessed an
39 outstanding liability covered by this section shall be suspended

1 until the debt has been satisfied or until the same personnel of
2 record disassociate themselves from the renewable licensed entity.

3 (b) The refusal to issue a license or the suspension of a license
4 as provided by this section shall be applicable only if the registrar
5 has mailed a notice preliminary to the refusal or suspension that
6 indicates that the license will be refused or suspended by a date
7 certain. This preliminary notice shall be mailed to the licensee at
8 least 60 days before the date certain.

9 (c) In the case of outstanding final liabilities assessed by the
10 Franchise Tax Board, this section shall be operative within 60 days
11 after the Contractors' State License Board has provided the
12 Franchise Tax Board with the information required under Section
13 30, relating to licensing information that includes the federal
14 employee identification number or social security number.

15 (d) All versions of the application for contractors' licenses shall
16 include, as part of the application, an authorization by the applicant,
17 in the form and manner mutually agreeable to the Franchise Tax
18 Board and the board, for the Franchise Tax Board to disclose the
19 tax information that is required for the registrar to administer this
20 section. The Franchise Tax Board may from time to time audit
21 these authorizations.

22 (e) This section shall not be interpreted to conflict with the
23 suspension of a license pursuant to Section 494.5 of this code or
24 Section 19265 of the Revenue and Taxation Code.

25 *SEC. 4.5. Section 7145.5 of the Business and Professions Code*
26 *is amended to read:*

27 7145.5. (a) The registrar may refuse to issue, reinstate,
28 reactivate, or renew a license or may suspend a license for the
29 failure of a licensee to resolve all outstanding final liabilities, which
30 include taxes, additions to tax, penalties, interest, and any fees that
31 may be assessed by the board, the Department of Industrial
32 Relations, the Employment Development Department, ~~or the~~
33 Franchise Tax Board, *or the State Board of Equalization.*

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

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

6 (b) The refusal to issue a license or the suspension of a license
7 as provided by this section shall be applicable only if the registrar
8 has mailed a notice preliminary to the refusal or suspension that
9 indicates that the license will be refused or suspended by a date
10 certain. This preliminary notice shall be mailed to the licensee at
11 least 60 days before the date certain.

12 (c) In the case of outstanding final liabilities assessed by the
13 Franchise Tax Board, this section shall be operative within 60 days
14 after the Contractors' State License Board has provided the
15 Franchise Tax Board with the information required under Section
16 30, relating to licensing information that includes the federal
17 employee identification number or social security number.

18 (d) All versions of the application for contractors' licenses shall
19 include, as part of the application, an authorization by the applicant,
20 in the form and manner mutually agreeable to the Franchise Tax
21 Board and the board, for the Franchise Tax Board to disclose the
22 tax information that is required for the registrar to administer this
23 section. The Franchise Tax Board may from time to time audit
24 these authorizations.

25 (e) *In the case of outstanding final liabilities assessed by the*
26 *State Board of Equalization, this section shall not apply to any*
27 *outstanding final liability if the licensee has entered into an*
28 *installment payment agreement for that liability with the State*
29 *Board of Equalization and is in compliance with the terms of that*
30 *agreement.*

31 (f) *This section shall not be interpreted to conflict with the*
32 *suspension of a license pursuant to Section 494.5 of this code or*
33 *Section 6834 or 19265 of the Revenue and Taxation Code.*

34 SEC. 5. Section 12419.13 is added to the Government Code,
35 to read:

36 12419.13. (a) (1) The Controller shall, upon execution of a
37 reciprocal agreement between *the State Board of Equalization or*
38 *the Franchise Tax Board, and any other state imposing a sales and*
39 *use tax, an income tax, or tax measured by income, offset any*
40 *delinquent tax debt due to that other state from a person or entity,*

1 against any refund under *the Sales and Use Tax Law*, the Personal
 2 Income Tax Law, or the Corporation Tax Law owed to that person
 3 or entity.

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

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

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

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

16 10295.4. (a) Notwithstanding any other law, a state agency
 17 shall not enter into any contract for the acquisition of goods or
 18 services with a contractor whose name appears on ~~the~~ *either* list
 19 of the ~~250~~ 500 largest tax delinquencies pursuant to Section 7063
 20 or 19195 of the Revenue and Taxation Code. Any contract entered
 21 into in violation of this subdivision is void and unenforceable.

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

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

26 6834. (a) (1) All state governmental licensing entities issuing
 27 professional or occupational licenses, certificates, registrations,
 28 or permits shall provide to the board the name and social security
 29 number or federal taxpayer identification number, as applicable,
 30 of each licensee of that state governmental licensing entity.

31 (2) If any licensee appears on a list of the 500 largest tax
 32 delinquencies pursuant to Section 7063, and the license of that
 33 licensee has not been suspended, revoked, or denied by the
 34 applicable state governmental licensing entity pursuant to Section
 35 494.5 of the Business and Professions Code, then the board shall
 36 mail a preliminary notice of suspension to the licensee indicating
 37 that the license will be suspended by a date certain, which shall
 38 be at least 60 days after the mailing of the preliminary notice,
 39 unless prior to the date certain the licensee pays the unpaid taxes
 40 or enters into an installment payment agreement, as described in

1 Section 6832, to satisfy the unpaid taxes. The preliminary notice
2 shall also advise the licensee of the opportunity to request deferral
3 or cancellation of a suspension pursuant to subdivision (b).

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

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

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

37 (5) If a license is not suspended, or if the suspension of a license
38 is canceled, based on the licensee entering into an installment
39 payment agreement as described in Section 6832, and the licensee
40 fails to comply with the terms of the installment payment

1 agreement, that license shall be suspended as of the date that is
2 30 days after the date of termination of that installment payment
3 agreement. If a license is suspended pursuant to this paragraph,
4 the board shall provide notice of suspension to the applicable state
5 governmental licensing entity and mail a notice of suspension to
6 the licensee.

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

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

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

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

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

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

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

38 (1) "Financial hardship" means financial hardship, as
39 determined by the board, where the licensee is financially unable
40 to pay any part of the amount described in subdivision (a). In order

1 *to establish the existence of a financial hardship, the licensee shall*
2 *submit any information, including information related to*
3 *reasonable business and personal expenses, requested by the board*
4 *for the purpose of making that determination.*

5 (2) *“License” includes a certificate, registration, or any other*
6 *authorization to engage in a profession or occupation issued by*
7 *a state governmental licensing entity. “License” includes a driver’s*
8 *license issued pursuant to Chapter 1 (commencing with Section*
9 *12500) of Division 6 of the Vehicle Code.*

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

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

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

37 (e) *The process described in subdivision (b) shall constitute the*
38 *sole administrative remedy for contesting the suspension of a*
39 *license under this section. The procedures in the administrative*
40 *adjudication provisions of the Administrative Procedure Act*

1 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
 2 (commencing with Section 11500) of Part 1 of Division 3 of Title
 3 2 of the Government Code) shall not apply to the suspension of a
 4 license pursuant to this section.

5 (f) This section shall apply to any licensee whose name appears
 6 on a list of the 500 largest tax delinquencies pursuant to Section
 7 7063 on or after January 1, 2012.

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

10 6835. (a) The board may enter into an agreement with the
 11 Internal Revenue Service or any other state imposing a sales and
 12 use tax, or a similar tax, for the purpose of collecting delinquent
 13 tax debts with respect to amounts assessed or imposed under this
 14 part, provided the agreements do not cause the net displacement
 15 of civil service employees. The agreement may provide, at the
 16 discretion of the board, the rate of payment and the manner in
 17 which compensation for services shall be paid.

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

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

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

31
 32 Article 9. Collection of Tax Debts Due to the Internal Revenue
 33 Services or Other States
 34

35 6850. (a) The board may enter into an agreement to collect
 36 any delinquent tax debt due to the Internal Revenue Service or any
 37 other state imposing a sales and use tax, or similar tax, if, pursuant
 38 to Section 6851, the Internal Revenue Service or such a state has
 39 entered into an agreement to collect delinquent tax debts due to
 40 the board.

1 (b) Upon written notice to the debtor from the board, any
2 amount referred to the board under subdivision (a) shall be treated
3 as final and due and payable to the State of California, and shall
4 be collected from the debtor by the board in any manner authorized
5 under the law for collection of a delinquent sales and use tax
6 liability, including, but not limited to, the recording of a notice of
7 state tax lien under Article 2 (commencing with Section 7170) of
8 Chapter 14 of Division 7 of Title 1 of the Government Code, and
9 the issuance of an order and levy under Article 4 (commencing
10 with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part
11 2 of the Code of Civil Procedure in the manner provided for
12 earnings withholding orders for taxes.

13 (c) This part shall apply to amounts referred under this section
14 in the same manner and with the same force and effect and to the
15 full extent as if the language of those laws had been incorporated
16 in full into this section, except to the extent that any provision is
17 either inconsistent with this section or is not relevant to this section.

18 (d) The activities required to implement and administer this
19 section shall not interfere with the primary mission of the board
20 to administer this part.

21 (e) In no event shall a collection under this section be construed
22 as a payment of sales and use taxes imposed under this part, or in
23 accordance with Part 1.5 or Part 1.6.

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

26 7057. (a) The board may disclose to state governmental
27 licensing entities information regarding suspension of a license
28 pursuant to Section 6834 of this code or Section 494.5 or 7145.5
29 of the Business and Professions Code.

30 (b) Neither the state governmental licensing entity, nor any
31 officer, employee, or agent, or former officer, employee, or agent
32 of a state governmental licensing entity, may disclose or use any
33 information obtained from the board, pursuant to this section,
34 except to inform the public of the suspension of a license pursuant
35 to Section 6834 of this code or Section 494.5 or 7145.5 of the
36 Business and Professions Code.

37 (c) For purposes of this section, the definitions in Section 6834
38 shall apply.

39 SEC. 11. Section 7063 of the Revenue and Taxation Code is
40 amended to read:

1 7063. (a) Notwithstanding any other provision of law, the
2 board shall make available as a matter of public record each quarter
3 a list of the ~~250~~ 500 largest tax delinquencies in excess of one
4 hundred thousand dollars (\$100,000) under this part. For purposes
5 of compiling the list, a tax delinquency means an amount owed to
6 the board which is all of the following:

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

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

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

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

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

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

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

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

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

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

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

34 (4) The type of tax that is delinquent.

35 (d) Prior to making a tax delinquency a matter of public record
36 as required by this section, the board shall provide a preliminary
37 written notice to the person or persons liable for the tax by certified
38 mail, return receipt requested. If within 30 days after issuance of
39 the notice, the person or persons do not remit the amount due or

1 make arrangements with the board for payment of the amount due,
2 the tax delinquency shall be included on the list.

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

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

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

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

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

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

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

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

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

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

38 ~~SEC. 7.~~

39 *SEC. 12.* Section 19195 of the Revenue and Taxation Code is
40 amended to read:

1 19195. (a) Notwithstanding any other provision of law,
2 including Section 6254.21 of the Government Code, the Franchise
3 Tax Board shall make available as a matter of public record at
4 least twice each calendar year a list of the ~~250~~ 500 largest tax
5 delinquencies in excess of one hundred thousand dollars (\$100,000)
6 under Part 10 and Part 11 of this division. For purposes of
7 compiling the list, a tax delinquency means the total amount owed
8 by a taxpayer to the State of California for which a notice of state
9 tax lien has been recorded in any county recorder's office in this
10 state, pursuant to Chapter 14 (commencing with Section 7150) of
11 Division 7 of Title 1 of the Government Code.

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

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

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

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

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

26 (1) The name of the person or persons liable for payment of the
27 tax and that person's or persons' address.

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

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

32 (4) The type of tax that is delinquent.

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

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

39 (d) Prior to making a tax delinquency a matter of public record
40 as required by this section, the Franchise Tax Board shall provide

1 a preliminary written notice to the person or persons liable for the
2 tax by certified mail, return receipt requested. If within 30 days
3 after issuance of the notice, the person or persons do not remit the
4 amount due or make arrangements with the Franchise Tax Board
5 for payment of the amount due, the tax delinquency shall be
6 included on the list.

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

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

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

16 (f) As promptly as feasible, but no later than five business days
17 from the occurrence of any of the following, the Franchise Tax
18 Board shall remove that taxpayer's name from the list of tax
19 delinquencies:

20 (1) Tax delinquencies for which the person liable for the tax
21 has contacted the Franchise Tax Board and resolution of the
22 delinquency has been arranged.

23 (2) Tax delinquencies for which the Franchise Tax Board has
24 verified that an active bankruptcy proceeding has been initiated.

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

29 (4) Tax delinquencies that the Franchise Tax Board has
30 determined to be uncollectible.

31 (g) A person whose delinquency appears on the list, and who
32 satisfies that delinquency in whole or in part, may request the
33 Franchise Tax Board to include in its list any payments that person
34 made to satisfy the delinquency. Upon receipt of that request, the
35 Franchise Tax Board shall include those payments on the list as
36 promptly as feasible.

37 (h) Notwithstanding subdivision (a), a person whose delinquency
38 appeared on the list and whose name has been removed pursuant
39 to paragraph (1) of subdivision (f) shall comply with the terms of
40 the arranged resolution. If the person fails to do so, the Franchise

1 Tax Board may add that person's name to the list of delinquencies
2 without providing the prior written notice otherwise required by
3 subdivision (d).

4 ~~SEC. 8.~~

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

7 19265. (a) (1) All state governmental licensing entities issuing
8 professional or occupational licenses, certificates, registrations, or
9 permits shall provide to the Franchise Tax Board the name and
10 social security number or federal taxpayer identification number,
11 as applicable, of each licensee of that state governmental licensing
12 entity.

13 (2) If any licensee appears on a list of the ~~250~~ 500 largest tax
14 delinquencies pursuant to Section 19195, and the license of that
15 licensee has not been suspended, revoked, or denied by the
16 applicable state governmental licensing entity pursuant to Section
17 494.5 of the Business and Professions Code, then the Franchise
18 Tax Board shall mail a preliminary notice of suspension to the
19 licensee indicating that the license will be suspended by a date
20 certain, which shall be at least 60 days after the mailing of the
21 preliminary notice, unless prior to the date certain the licensee
22 pays the unpaid taxes or enters into an installment payment
23 agreement, as described in Section 19008, to satisfy the unpaid
24 taxes. The preliminary notice shall also advise the licensee of the
25 opportunity to request deferral or cancellation of a suspension
26 pursuant to subdivision (b).

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

1 registration, or permit were suspended by the state governmental
2 licensing entity that issued the professional or occupational license,
3 certificate, registration, or permit.

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

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

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

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

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

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

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

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

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

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

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

33 (2) “License” includes a certificate, registration, or any other
 34 authorization to engage in a profession or occupation issued by a
 35 state governmental licensing entity. “License” includes a driver’s
 36 license issued pursuant to Chapter 1 (commencing with Section
 37 12500) of Division 6 of the Vehicle Code.

38 (3) “Licensee” means an individual authorized by a license to
 39 drive a motor vehicle or authorized by a license, certificate,

1 registration, or other authorization to engage in a profession or
2 occupation issued by a state governmental licensing entity.

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

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

26 (e) The process described in subdivision (b) shall constitute the
27 sole administrative remedy for contesting the suspension of a
28 license under this section. The procedures in the administrative
29 adjudication provisions of the Administrative Procedure Act
30 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
31 (commencing with Section 11500) of Part 1 of Division 3 of Title
32 2 of the Government Code) shall not apply to the suspension of a
33 license pursuant to this section.

34 (f) This section shall apply to any licensee whose name appears
35 on a list of the ~~250~~ 500 largest tax delinquencies pursuant to
36 Section 19195 on or after January 1, 2012.

37 ~~SEC. 9.~~

38 *SEC. 14.* Article 7 (commencing with Section 19291) is added
39 to Chapter 5 of Part 10.2 of Division 2 of the Revenue and Taxation
40 Code, to read:

1 Article 7. Collection of Tax Debts Due to the Internal Revenue
2 Service or Other States
3

4 19291. (a) The Franchise Tax Board may enter into an
5 agreement to collect any delinquent tax debt due to the Internal
6 Revenue Service or any other state imposing an income tax or tax
7 measured by income if, pursuant to Section 19377.5, the Internal
8 Revenue Service or that state has entered into an agreement to
9 collect delinquent tax debts due the Franchise Tax Board.

10 (b) Upon written notice to the debtor from the Franchise Tax
11 Board, any amount referred to the Franchise Tax Board under
12 subdivision (a) shall be treated as final and due and payable to the
13 State of California, and shall be collected from the debtor by the
14 Franchise Tax Board in any manner authorized under the law for
15 collection of a delinquent income tax liability, including, but not
16 limited to, the recording of a notice of state tax lien under Article
17 2 (commencing with Section 7170) of Chapter 14 of Division 7
18 of Title 1 of the Government Code, and the issuance of an order
19 and levy under Article 4 (commencing with Section 706.070) of
20 Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil
21 Procedure in the manner provided for earnings withholding orders
22 for taxes.

23 (c) Part 10 (commencing with Section 17001), this part, Part
24 10.7 (commencing with Section 21001), and Part 11 (commencing
25 with Section 23001) shall apply to amounts referred under this
26 section in the same manner and with the same force and effect and
27 to the full extent as if the language of those laws had been
28 incorporated in full into this section, except to the extent that any
29 provision is either inconsistent with this section or is not relevant
30 to this section.

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

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

38 ~~SEC. 10.~~

39 *SEC. 15.* Section 19377.5 is added to the Revenue and Taxation
40 Code, to read:

1 19377.5. (a) The Franchise Tax Board may enter into an
2 agreement with the Internal Revenue Service or any other state
3 imposing an income tax or tax measured by income for the purpose
4 of collecting delinquent tax debts with respect to amounts assessed
5 or imposed under Part 10 (commencing with Section 17001), this
6 part, or Part 11 (commencing with Section 23001), provided the
7 agreements do not cause the net displacement of civil service
8 employees. The agreement may provide, at the discretion of the
9 Franchise Tax Board, the rate of payment and the manner in which
10 compensation for services shall be paid.

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

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

22 ~~SEC. 11.~~

23 *SEC. 16.* Section 19571 is added to the Revenue and Taxation
24 Code, to read:

25 19571. (a) The Franchise Tax Board may disclose to state
26 governmental licensing entities information regarding suspension
27 of a license pursuant to Section 19265 of this code or Sections
28 494.5 or 7145.5 of the Business and Professions Code.

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

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

38 *SEC. 17.* *Section 4.5 of this bill incorporates amendments to*
39 *Section 7145.5 of the Business and Professions Code proposed by*
40 *both this bill and A.B. 1307. It shall only become operative if (1)*

1 *both bills are enacted and become effective on or before January*
2 *1, 2012, (2) each bill amends Section 7145.5 of the Business and*
3 *Professions Code, and (3) this bill is enacted after A.B. 1307, in*
4 *which case Section 4 of this bill shall not become operative.*

5 ~~SEC. 12.~~

6 *SEC. 18.* No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 a local agency or school district has the authority to levy service
9 charges, fees, or assessments sufficient to pay for the program or
10 level of service mandated by this act or because costs that may be
11 incurred by a local agency or school district will be incurred
12 because this act creates a new crime or infraction, eliminates a
13 crime or infraction, or changes the penalty for a crime or infraction,
14 within the meaning of Section 17556 of the Government Code, or
15 changes the definition of a crime within the meaning of Section 6
16 of Article XIII B of the California Constitution.

FAMILY.CODE

SECTION 17520

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 any 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 (1) 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.

(1) 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.

(q) 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 (1).

(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.