
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2019 - 2020 Regular Session

AB 1469 (Low) - Court reporters: registration: nonshorthand reporting corporation entities

Version: July 22, 2020

Urgency: No

Hearing Date: August 13, 2020

Policy Vote: B., P. & E.D. 9 - 0

Mandate: Yes

Consultant: Janelle Miyashiro

Bill Summary: AB 1469 establishes a regulatory framework, administered by the Court Reporters Board of California (CRB), for out-of-state firms providing shorthand reporting services, as specified.

Fiscal Impact:

- Unknown, but potentially minor and absorbable costs to the CRB to expand their regulation of the shorthand reporting industry to out-of-state entities registered to provide shorthand reporting services. Fees and assessments from new registrants may offset ongoing enforcement and administration costs. Registration fees may also increase revenue for the CRB, however those revenues are indeterminate and depend on the number of out-of-state firms paying fees.
- Estimated information technology cost of \$55,000 to create the new registration and associated enforcement codes, which may be absorbable through the redirection of existing maintenance resources.
- Unknown cost pressures to the court to adjudicate charges brought against defendants who violate the provisions regulating new registrants providing shorthand reporting services as proscribed by this measure. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources.

Background: The CRB is responsible for licensing and disciplining certified shorthand reporters. The CRB determines the educational requirements for licensure standards and approves schools. Since 1972, the CRB has permitted the certification of individuals and at one time, the registration of shorthand reporting corporations. In addition to licensing and disciplinary functions, the CRB enforces the professional standards of practice for certified shorthand professionals.

Certified shorthand reporters are responsible for reporting depositions in legal cases as well as court proceedings. To qualify for licensure, an individual must have a high school education and complete specified full-time work experience, a course from a CRB approved court-reporting school, a passing score on the California State Hearing Reporters Examination, or a certificate from the National Court Reporting Association.

Currently, certified shorthand reporters in California work in two separate capacities: 1) as an "official reporter" who is employed by a state court providing to provide court reporting services; or 2) as a "freelance reporter" who is hired privately by court

reporting businesses, firms, or attorneys to report depositions. Both official and freelance reporters are required to meet the same educational and examination qualifications.

The CRB does not register or certify corporations in California because current law specifies that each director, shareholder, and officer of a shorthand reporting corporation must be a licensed shorthand reporter. While there are licensee-owned corporations in California, a number of non-licensee-owned businesses not currently under the jurisdiction of the CRB also exist. These non-licensee-owned businesses provide litigation services and contract with California-licensed certified shorthand reporters. However, as current law provides the CRB with authority only over licensee-owned shorthand reporting corporations incorporated in California, the CRB does not have direct jurisdiction over these other non-licensee-owned corporations, which have no license to discipline.

Proposed Law: This bill:

- Authorizes an entity that is not a shorthand reporting corporation, wherever incorporated in the United States, to engage in shorthand reporting services, as specified, if the entity is approved for registration by the CRB after meeting all of the following requirements on and after January 1, 2021:
 - The entity pays an annual registration fee in an amount determined by the CRB, not to exceed \$500.
 - The entity has designated a CRB-certified reporter-in-charge (RIC). The RIC is required to be a full-time employee of the registered entity, a resident of California, and a certified shorthand reporter with a valid California license at all times. The RIC may not have restrictions on their license or be subject to a pending CRB accusation or investigation at the time of the entity's application for registration. The RIC is responsible for an entity's compliance with all state laws and regulations pertaining to certified shorthand reporting.
 - The entity agrees in the registration to abide by the laws, regulations, and standards of practice applicable to businesses that render shorthand reporting services, as specified.
- Requires an entity seeking registration to provide specified information to the CRB, including the entity's name, the entity's RIC, and any state or federal enforcement actions or civil complaints, settlements, or judgments within five years of the initial registration application.
- Requires the CRB to approve or deny an application within 90 days of receiving the completed application, and provide that decision to the entity in writing.
- Provides that a registration issued by the CRB is valid for one year at which time it may be approved for renewal.
- Requires a registered entity to notify the CRB in writing, within 30 days of the date when a RIC ceases to act as the RIC and propose another certificate holder to take over as the RIC. Specifies that the replacement RIC is subject to CRB approval.

- Requires the CRB to revoke the registration of an entity if the CRB determines that the entity:
 - Engages in whole, in part, through officers, employees, or independent contractors that are not certificate holders, in acts that are within the scope of practice of a certificate holder, unless otherwise permitted by law.
 - Directs or authorizes the RIC to violate state laws or regulations pertaining to shorthand reporting or offering financial incentives to the RIC for engaging in acts that violate state law.
- Requires the CRB to create and post on its internet website a directory of registered entities.

Staff Comments: The fiscal impact of this bill as related to the civil and criminal penalty provisions is unknown and dependent on numerous factors unique to each case. As the crime expanded upon by this bill is punishable as a misdemeanor with the potential for incarceration, certain rights to the defendants are attached to the proceedings, at public expense if the defendants are unable to afford the costs of representation, which could lead to lengthier and more complex court proceedings. Consequently, to the extent that the court adjudicates a small number of these new crimes that otherwise would not have been filed or resulted in a criminal action but for each alleged violation by a new registrant providing shorthand reporting services, court costs of this bill would likely surpass the Suspense File threshold.

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