

SENATE RULES COMMITTEE

Office of Senate Floor Analyses

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AB 1767

THIRD READING

Bill No: AB 1767
Author: Berman (D)
Amended: 6/23/26 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 11-0, 6/29/26
AYES: Wahab, Choi, Archuleta, Arreguín, Caballero, Grayson, Menjivar, Niello,
Smallwood-Cuevas, Strickland, Umberg

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 68-0, 4/16/26 (Consent) - See last page for vote

SUBJECT: Department of Consumer Affairs: public members of boards:
conflicts of interest

SOURCE: Author

DIGEST: This bill defines “close family member” as including, but not limited to, a parent or child, for the purposes of avoiding conflict of interest when a public member is appointed to a board within the Department of Consumer Affairs (DCA). Requires each board within DCA to adopt regulations to determine whether any relationship with a licensee of a board other than parent-child should prevent an individual from serving as a public member on that board within DCA.

ANALYSIS:

Existing Law:

- 1) Establishes the DCA comprised of specified boards, bureaus, and commissions vested with the authority to license and regulate various professions and vocations, and to enforce the standards and regulations set forth. (Business and Professions Code (BPC) §§ 100 *et. seq.*)

- 2) Defines “Board,” for the purpose of identifying entities to which provisions relating to public members apply, as a board, advisory board, commission, examining committee, committee or other similarly constituted body exercising powers under the BPC. (BPC § 452)
- 3) Enumerates 38 entities that comprise the DCA, including 27 boards, one commission, and one committee. (BPC § 101)
- 4) Prohibits a public board member from being a current or past licensee of the board, or a close family member of a licensee, to avoid potential for a conflict of interest. (BPC § 450.2)
- 5) States that boards in DCA are established for the purpose of ensuring that those private businesses and professions deemed to engage in activities which have potential impact upon the public health, safety, and welfare are adequately regulated in order to protect the people of California. (BPC § 101.6)
- 6) Provides that each board comprising DCA exists as a separate unit, and has the functions of setting standards, holding meetings, and setting dates thereof, preparing and conducting examinations, passing upon applicants, conducting investigations of violations of laws under its jurisdiction, issuing citations and holding hearings for the revocation of licenses, and the imposing of penalties following those hearings, insofar as these powers are given by statute to each respective board. (BPC § 108)
- 7) Prohibits a public or lay member of a board under the DCA from being, or having been within the five years preceding their appointment, any of the following:
 - a) An employer, officer, director, or substantially full-time representative of an employer or group of employers,
 - b) A person maintaining a contractual relationship, or
 - c) An employee. (BPC § 450)
- 8) Establishes an exception that a board member may be, or may have been within five years preceding their appointment, for purposes of relationships described in 4), engaged in an employment or contractual relationship with a licensee of the board so long as the relationship does not constitute more than two percent of the overall practice or business of the licensee. (BPC §§ 450(a) – 450(c))

- 9) Prohibits a public member from having any financial interest in any organization that is subject to regulation by the board of which they are a member either at the time of their appointment or during their tenure in office. (BPC § 450.3)
- 10) Prohibits a public or lay member from engaging in pursuits which lie within the field of the industry or profession regulated by the board of which they are a member, or providing representation to the industry or profession, during the term of their service or within the five-year period preceding their appointment. (BPC § 450.5)
- 11) States that if, as part of its functions, any board delegates any duty or responsibility to be performed by a single board member, public or lay members cannot:
 - a) Prepare, administer, or grade examinations, or
 - b) Inspect or investigate licensees, their manner or method of practice or business, or their place of practice or business. (BPC § 451)
- 12) Requires each newly appointed board member to complete a training and orientation program offered by the DCA regarding, among other things, their functions, responsibilities, and obligations as a board member, within one year of assuming office. (BPC § 453)

This bill:

- 1) Defines “close family member” as including, but not limited to, a parent or a child for the purposes of avoiding a potential for a conflict of interest of a public member of a board within the DCA.
- 2) Requires each board within DCA to adopt regulations to provide guidance on determining whether relationships with a licensee of that board other than a parent-child should prohibit an individual from serving as a public member of that board.

Background

Department of Consumer Affairs Boards. Within DCA's 38 regulatory entities, there are 27 boards, one commission, and one committee (boards) that regulate California's professions and vocations. Boards are semi-autonomous regulatory bodies vested with decision-making authority independent of the administration. Board members commonly serve four-year terms, but term lengths may vary

depending on the board and appointment date. Boards are comprised of members of the regulated profession appointed by the Governor, or “professional” members, and non-licensee members, or “public” members, who are appointed by the Governor and the Legislature.

Board members make policy decisions that impact licensees, review licensee disciplinary cases, establish minimum standards, act as stewards over program’s budget, and have many other functions that require public members to have an objective viewpoint in their decision-making process. Any bias, such as a financial or personal interest, that informs a board member’s judgement could lead to flawed policies, diminished consumer protection, and reduced public confidence in the board’s ability to achieve its mission.

Public Member Close relationships. Existing law establishes qualifications and limitations of public board member appointments (BPC §§ 450-453), including those of a public member to a board who is a close relative of a licensee of that board. However, “close relative,” is not defined. This bill would define “close relative,” as a parent or child and require each DCA board to adopt regulations to expand upon that limitation to define which familial relationship(s) should be prohibited from serving as a public member to avoid potential for conflict of interest.

This bill does not provide a deadline for implementation so presumably, DCA’s boards would integrate the regulation required by this bill into their rulemaking calendar as workload and time permits.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT: (Verified 8/4/26)

None received

OPPOSITION: (Verified 8/4/26)

None received

ASSEMBLY FLOOR: 68-0, 4/16/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Boerner, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos,

Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Berman, Bonta, Dixon, Flora, Harabedian, Hart, Hoover, Irwin, Papan, Celeste Rodriguez, Schiavo

Prepared by: Yeaphana La Marr / B., P. & E.D. /
8/11/26 9:18:13

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