

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS

Marc Berman, Chair

AB 2774 (Committee on Business and Professions) – As Introduced February 23, 2026

SUBJECT: Physical Therapy Board of California.

SUMMARY: States that is the intent of the Legislature to evaluate the Physical Therapy Board of California (PTBC) through the joint legislative sunset review oversight process and to subsequently include in this bill recommendations produced through that process.

EXISTING LAW:

- 1) Regulates the practice of physical therapy by licensed physical therapists (PTs) and physical therapy assistants (PTAs) under the Physical Therapy Practice Act and establishes the PTBC until January 1, 2027, to administer and enforce the act. (Business & Professions Code (BPC) §§ 2600-2696)
- 2) Authorizes the PTBC to employ an executive officer and other employees until January 1, 2027. (BPC § 2607.5)
- 3) Specifies that protection of the public is the highest priority for the PTBC in exercising its licensing, regulatory, and disciplinary functions. (BPC § 2602.1)
- 4) Defines physical therapy as the art and science of physical or corrective rehabilitation or of physical or corrective treatment of any bodily or mental condition of any person by the use of the physical, chemical, and other properties of heat, light, water, electricity, sound, massage, and active, passive, and resistive exercise; specifies that physical therapy includes evaluation, treatment planning, instruction and consultative services; and specifies that the practice of physical therapy includes the promotion and maintenance of physical fitness to enhance the bodily movement related health and wellness of individuals through the use of physical therapy interventions. (BPC § 2620(a))
- 5) Makes it unlawful to practice, or offer to practice, physical therapy in this state for compensation received or expected, or to claim to be a PT, unless licensed as a PT or otherwise authorized or exempt. (BPC §§ 2630, 2630.3, 2630.5)
- 6) Establishes the licensing fee amounts for PTs and PTAs as follows:
 - a) PT application fee of \$125 and PT foreign graduate application fee of \$200, both of which the PTBC may lower or increase, up to \$300; after January 1, 2016, sets both to \$300. (BPC §§ 2653, 2688(a); California Code of Regulations (CCR) Title 16 § 1399.50(a)-(b))
 - b) PT initial license fee of \$100, which the PTBC may lower or increase, up to \$150; after January 1, 2016, set to \$150. (BPC § 2688(c)); CCR tit. 16 § 1399.50(c))
 - c) PT biennial license renewal fee of \$200, which the PTBC may lower or increase, up to \$300; after January 1, 2016, set to \$300. (BPC § 2688(d)) (BPC § 2688(d)) CCR tit. 16 § 1399.50(d))

- d) PTA application and initial license fee of \$125 and PT foreign graduate application and initial license fee of \$200, which the PTBC may lower or increase, up to \$300; after January 1, 2016, sets both to \$300. (BPC § 2688(e); CCR tit. 16 § 1399.52(a)-(b))
- e) PTA biennial license renewal fee of \$200, which the PTBC may lower or increase, up to \$300; after January 1, 2016, set to \$300. (BPC § 2688(f); CCR tit. 16 § 1399.52(c))
- 7) Makes it unprofessional conduct and grounds for disciplinary action for a licensee of a healing arts board to commit any act of sexual abuse, misconduct, or relations with a patient, client, or customer, as specified. (BPC § 726)
- 8) Establishes a registration program for people convicted of specified sex offenses to register with local law enforcement under the Sex Offender Registration Act. (Penal Code (PEN) §§ 290-290.024)
- 9) Requires the PTBC to deny an applicant for a PT or PTA license if they are required to register under the Sex Offender Registration Act, except in specified cases of misdemeanor convictions for indecent exposure. (BPC § 2660.5; PEN §§ 290, 314)
- 10) Authorizes a person whose license has been revoked or suspended, or who has been placed on probation, to petition the PTBC for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the specified minimum periods has elapsed from the effective date of the decision ordering that disciplinary action. (BPC § 2661.7)

THIS BILL:

- 1) Makes technical changes to the provisions that contain the PTBC's sunset dates and review requirements.

FISCAL EFFECT: Unknown; this bill is keyed nonfiscal by the Legislative Counsel.

COMMENTS:

Purpose. Each year, the Assembly Committee on Business and Professions and the Senate Committee on Business, Professions, and Economic Development hold joint sunset review oversight hearings to review the licensing entities under the Department of Consumer Affairs (DCA). The DCA boards, bureaus, and other entities are responsible for protecting consumers and the public and regulating the professionals they license. The sunset review process provides an opportunity for the legislature, DCA, licensing entities, and stakeholders to discuss the entities' performance and make recommendations for improvements.

Each licensing entity subject to review has an enacting statute with a repeal date, meaning their authority must be extended by the legislature before the repeal date, otherwise the entity will lose its statutory mandate. This bill is a "sunset" bill, intended to extend the repeal date of the PTBC, as well as incorporate the recommendations from the sunset review oversight hearings. This year there are ten boards up for review, each with their own sunset bill. Five of the sunset review bills are authored by the chair of the Assembly Committee on Business and Professions and the other five are authored by the chair of the Senate Committee on Business, Professions, and Economic Development.

Background. The PTBC is responsible for administering and enforcing the Physical Therapy Practice Act, which establishes the board and contains the regulatory framework for the practice of physical therapy. According to the PTBC:

The practice of physical therapy combines art and science to enhance quality of life and movement potential through promotion, prevention, treatment/intervention, habilitation, and rehabilitation. This scope includes physical, psychological, emotional, and social well-being. Physical therapy is delivered through collaboration between the physical therapist, patients/clients, other health professionals, families, caregivers, and communities. In this process, movement potential is assessed, and goals are established, using knowledge and skills unique to physical therapists.

The PTBC's primary function is to run the licensing, education, and disciplinary programs for physical therapists (PTs) and physical therapy assistants (PTAs). The PTBC also regulates unlicensed physical therapy aides and physical therapy students.

At the end of fiscal year (FY) 2024-25,³ the PTBC reported a total of 40,278 active, in-state licensees, including 31,023 PTs and 9,255 PTAs. It also reported 50 approved educational programs in California, 20 PT programs and 30 PTA programs.

The PTBC's mission statement, as stated in its *2024-2029 Strategic Plan*, is: "To protect the people of California by the effective administration of the Physical Therapy Practice Act."

Fees. The PTBC's fees are established under the Physical Therapy Practice Act. Most of the PTBC's fees can be adjusted in regulation, but there are also some flat fees for ministerial services. The fees for PTs and PTAs are as follows:

- An application fee up to a maximum of \$300.
- For PTs, an initial license fee up to a maximum of \$150. PTA initial license and application fees are combined into the \$300 application fee.
- An examination fee that covers the actual cost to the PTBC of the development and writing of, or purchase of the examination, and grading of each written examination, plus the actual cost of administering each examination. Alternatively, the PTBC may pass the fee through to the organization administering the examination.
- A renewal fee up to a maximum of \$300.
- A late renewal (delinquency) fee that is 50% of the renewal fee in effect.
- A duplicate wall certificate fee that does not exceed the cost of issuing duplicates, up to a maximum of \$100.
- An endorsement or letter of good standing fee that does not exceed the cost of issuing an endorsement or letter, up to a maximum of \$100.

While the PTBC has the authority to adjust the fees, every major fee has been set to the statutory maximum since FY 2015–16. The PTBC is requesting an increase to the fee ceilings as discussed under Issue #1 of Sunset Issues for Consideration on pages 5-6 of this analysis.

Current Related Legislation. AB 2771 (Committee on Business and Professions) is the sunset review bill for the Bureau of Private Postsecondary Education. *AB 2771 is pending in this committee.*

AB 2772 (Committee on Business and Professions) is the sunset review bill for the California Council for Interior Design Certification. *AB 2772 is pending in this committee.*

AB 2773 (Committee on Business and Professions) is the sunset review bill for the California Board of Occupational Therapy. *AB 2773 is pending in this committee.*

AB 2775 (Committee on Business and Professions) is the sunset review bill for the State Board of Chiropractic Examiners (BCE). *AB 2775 is pending in this committee.*

SB 1302 (Wahab) is the sunset review bill for the California Board of Registered Nursing. *SB 1302 is pending in the Senate.*

SB 1303 (Wahab) is the sunset review bill for the California Board of Naturopathic Medicine. *SB 1303 is pending in the Senate.*

SB 1304 (Wahab) is the sunset review bill for the California Respiratory Care Board. *SB 1304 is pending in the Senate.*

SB 1363 (Wahab) is the sunset review bill for the California Board of Barbering and Cosmetology. *SB 1363 is pending in the Senate.*

SB 1368 (Wahab) is the sunset review bill for the California Speech-Language Pathology & Audiology & Hearing Aid Dispensers Board. *SB 1368 is pending in the Senate.*

Prior Related Legislation. AB 1501 (Berman), Chapter 194, Statutes of 2025, was the prior sunset bill for the Podiatric Medical Board of California and the Physician Assistant Board and, among other things, increased the statutory limits on the licensing fees for physician assistants.

SB 1438 (Roth), Chapter 509, Statutes of 2022, was the prior sunset bill for the PTBC, which extended the board by four years and codified a DCA waiver authorizing telehealth examinations for continuing physical therapy treatment initiated directly with a PT.

AB 1706 (Committee on Business and Professions), Chapter 454, Statutes of 2017, was a prior sunset bill for the PTBC, the Board of Chiropractic Examiners, the Speech-Language Pathology Audiology and Hearing Aid Dispensers Board, and the California Board of Occupational Therapy.

SUNSET ISSUES FOR CONSIDERATION:

In preparation for the sunset hearings, committee staff publish background papers that identify outstanding issues related to the entity being reviewed. All background papers are available on the committee's website: <https://abp.assembly.ca.gov/hearings/joint-sunset-review-oversight-hearings>. While every issue discussed in the background papers remain available for discussion, the following are being addressed in the amendments to this bill or are being actively discussed.

- 1) *Issue #1: Statutory Fee Cap Increase.* This issue is a continuation of the discussions from Issue #1 from its 2017 sunset review and Issue #3 from the PTBC's 2022 sunset review. During the PTBC's 2017 sunset review, the PTBC wrote in its *2016 Sunset Review Report*:

In an effort to avoid an operational deficiency within the next 5 years or prior to PTBCs next Sunset Review (FY 2022/23), the PTBC suggests amending the licensing caps under [BPC] § 2688 to appropriate amounts that would sustain the ongoing operations of the PTBC. It should be noted, should this action be approved through the Sunset Review process, the outcome will increase the licensing fee caps only. Should the PTBC require the need to increase its licensing fees to sustain ongoing operations, the PTBC would require a regulatory change through the rulemaking process which includes various approvals, including board members.

The PTBC's sunset bill was ultimately not amended to increase the fee caps at that time. However, during the PTBC's 2022 sunset review, it was again noted that PTBC anticipated a diminishing fund condition. Specifically, starting in FY 2021-22 (7.7 months) and continuing each FY with projected insolvency occurring FY 2025-26. The fee cap increases were not included in the final version of sunset bill.

The DCA budget office projections in the PTBC's *2025 Sunset Review Report* indicate that the PTBC's fund may shrink to 6.6 months of operating expenses by FY 2026-27. If those projections actualize, insolvency is possible beyond FY 2030-31.

PTBC staff has since noted that the projection did not include updated budget deficiencies identified in the Current Year (CY) 2025-26 and ongoing. Specifically, the new projected deficiency is \$576,582 (\$183k AG, \$122k OAH, and \$271,582 Personnel Services and Operating Expenses), up from approximately \$417k. PTBC staff notes that this deficiency will be ongoing and is subject to increase with increased workload, i.e., licensing population, enforcement, and employee salaries and benefit changes. Therefore, the PTBC expects insolvency will occur before FY 2030-31.

Staff Background Paper Recommendation: The PTBC should continue to work with the Committees on ensuring fees are set at the appropriate amounts and share the result of its fee study when it is complete.

PTBC Response:

The PTBC appreciates the Committees' recommendation and agrees that fees should be set at appropriate amounts to support the PTBC's consumer protection mission. As noted in the background paper, the issue before the Legislature is whether the statutory fee caps in Business and Professions Code section 2688 should be increased, not whether fees themselves should be increased. The PTBC's fee study has now been completed and was presented to the PTBC at its March 19, 2026, meeting. Following discussion of the study, the PTBC adopted proposed legislative fee caps for consideration through the Sunset Review process. Any future increase to actual fees would not occur automatically and would require a separate regulatory action through the formal rulemaking process, including PTBC approval and public notice and comment. The PTBC looks forward to continuing to work with the Committees on this issue.

Sunset Recommendation: The PTBC's fee study is still under review.

- 2) *Issue #4: Automatic Denial of Reinstatement for Sexual Offenses.* The Physical Therapy Practice Act requires the PTBC to process all petitions for reinstatement through the full administrative hearing process, including petitioners whose licenses were revoked for acts of sexual abuse, sexual misconduct, or sexual exploitation.

The PTBC notes that, even in cases where it is required to deny reinstatement, the petition must still move through the complete administrative process, including preparation by enforcement staff, review by legal counsel, and hearings before an administrative law judge. The PTBC states that this is an unnecessary use of state resources when petitions are legally prohibited from being granted. Therefore, it is requesting authority to do the following:

- a) Deny petitions for reinstatement at intake when the underlying revocation or surrender was based on sexual misconduct or sexual exploitation.
- b) Deny petitions for reinstatement when the petitioner is required to register under Penal Code § 290 and the conduct involved a patient or client.

While these were the formal requests for purposes of the PTBC's *2025 Sunset Review Report*, PTBC staff notes there are still details that the full board did not have the opportunity to discuss.

Staff Background Paper Recommendation: The PTBC should provide specific examples of the range of cases that fall under this category, discuss whether there is any risk to a licensee's right to due process, and continue to work with committee staff on the specifics of the language.

PTBC Response:

The PTBC is prepared to provide additional examples of the types of cases it believes should fall within this proposal, including revocations or surrenders based on sexual misconduct or sexual exploitation involving a patient or client. In the last ten years, fifteen licenses were revoked or surrendered for cases that involved allegations of sexual misconduct (violation of Business and Professions Code section 726 and/or 2660(m)). The PTBC also clarifies that the Penal Code section 290 portion of the proposal would not expand the number of individuals denied licensure, as those applications must already be denied under existing law. Instead, it would align the reinstatement process with that existing requirement and avoid unnecessary expenditure of enforcement, legal, and administrative resources on petitions that cannot lawfully be granted.

The PTBC agrees that due process considerations are important and that any proposed language should be narrowly tailored. The intent is to provide clear authority in limited circumstances, not to remove appropriate procedural safeguards. The PTBC will continue working with the Committees' staff on the specifics of the language to ensure the proposal is clearly defined, legally sound, and consistent with the PTBC's public protection mandate.

Sunset Recommendation: Amendment 2 on pages 9 and 10 of this analysis would include the PTBC's proposals in the list of conditions under which a petition for reinstatement are automatically denied.

- 3) *Issue #11: Sunset Extension.* The PTBC and its staff continue to work well with the Legislature in implementing its consumer protection mission. This is demonstrated by its implementation of prior committee recommendations, including the prudent maintenance of its fund and initiation of a fee study, its proactive efforts to identify gaps in consumer protection, and implementing various workflow efficiencies. While the outstanding issues noted in this background paper still need to be addressed, the PTBC and its staff have been communicating with the Committees on next steps.

Staff Recommendation: The PTBC's current regulation of PTs and PTAs should be continued and reviewed again on a future date to be determined.

PTBC Response: The PTBC is in agreement with the Committees' staff's recommendation that regulation of physical therapists and physical therapist assistants under the PTBC should be continued. The PTBC is grateful for the Committees' recognition of the work undertaken by the PTBC and its staff in furtherance of the PTBC's consumer protection mission, as well as their acknowledgment of the challenges that remain. The PTBC also appreciates the Committees' continued engagement and willingness to work collaboratively toward addressing outstanding issues.

Sunset Recommendation: Amendment 3 on page 11 of this analysis would extend the PTBC by four years, until January 1, 2031.

AMENDMENTS:

- 1) *Technical Changes to Fee Provision.* To delete outdated fee provisions, amend the bill as follows:

On page 2, after line 25, insert:

2688. The amount of fees assessed in connection with licenses issued under this chapter is as follows:

(a) (1) ~~The fee for an application for licensure as a physical therapist submitted to the board prior to March 1, 2009, shall be seventy-five dollars (\$75). The fee for an application submitted under Section 2653 to the board prior to March 1, 2009, shall be one hundred twenty-five dollars (\$125).~~

(2) The fee for an application for licensure as a physical therapist ~~submitted to the board on or after March 1, 2009,~~ shall be one hundred twenty-five dollars (\$125). The fee for an application submitted under Section 2653 to the board ~~on or after March 1, 2009,~~ shall be two hundred dollars (\$200).

(3) ~~Notwithstanding paragraphs (1) and (2), the~~ (2) *The* board may decrease or increase the amount of an application fee under this subdivision, but in no event shall the application fee amount exceed three hundred dollars (\$300).

(b) The examination and reexamination fees for the physical therapist examination, physical therapist assistant examination, and the examination to demonstrate knowledge of the California rules and regulations related to the practice of physical therapy shall be the actual cost to the board of the development and writing of, or purchase of the examination, and grading of each written examination, plus the actual cost of administering each examination. The board, at its discretion, may require the licensure applicant to pay the fee for the examinations required by Section 2636 directly to the organization conducting the examination.

(c) (1) ~~The fee for a physical therapist license issued prior to March 1, 2009, shall be seventy five dollars (\$75).~~

(2) The fee for a physical therapist license ~~issued on or after March 1, 2009,~~ shall be one hundred dollars (\$100).

(3) ~~Notwithstanding paragraphs (1) and (2), the~~ (2) ~~The~~ board may decrease or increase the amount of the fee under this subdivision, but in no event shall the fee to issue the license exceed one hundred fifty dollars (\$150).

(d) (1) ~~The fee to renew a physical therapist license that expires prior to April 1, 2009, shall be one hundred fifty dollars (\$150).~~

(2) The fee to renew a physical therapist license ~~that expires on or after April 1, 2009,~~ shall be two hundred dollars (\$200).

(3) ~~Notwithstanding paragraphs (1) and (2), the~~ (2) ~~The~~ board may decrease or increase the amount of the renewal fee under this subdivision, but in no event shall the renewal fee amount exceed three hundred dollars (\$300).

(e) (1) ~~The fee for application and for issuance of a physical therapist assistant license shall be seventy five dollars (\$75) for an application submitted to the board prior to March 1, 2009.~~

(2) The fee for application and for issuance of a physical therapist assistant license shall be one hundred twenty-five dollars (~~\$125~~). ~~(\$125) for an application submitted to the board on or after March 1, 2009.~~ The fee for an application submitted under Section 2653 ~~to the board on or after March 1, 2009,~~ shall be two hundred dollars (\$200).

(3) ~~Notwithstanding paragraphs (1) and (2), the~~ (2) ~~The~~ board may decrease or increase the amount of the fee under this subdivision, but in no event shall the application fee amount exceed three hundred dollars (\$300).

(f) (1) ~~The fee to renew a physical therapist assistant license that expires prior to April 1, 2009, shall be one hundred fifty dollars (\$150).~~

(2) The fee to renew a physical therapist assistant license ~~that expires on or after April 1, 2009,~~ shall be two hundred dollars (\$200).

~~(3) Notwithstanding paragraphs (1) and (2), the (2)~~ The board may decrease or increase the amount of the renewal fee under this subdivision, but in no event shall the renewal fee amount exceed three hundred dollars (\$300).

(g) Notwithstanding Section 163.5, the delinquency fee shall be 50 percent of the renewal fee in effect.

(h) (1) The duplicate wall certificate fee shall be fifty dollars (\$50). The duplicate renewal receipt fee amount shall be fifty dollars (\$50).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of issuing duplicates, but in no event shall that fee exceed one hundred dollars (\$100).

(i) (1) The endorsement or letter of good standing fee shall be sixty dollars (\$60).

(2) Notwithstanding paragraph (1), the board may decrease or increase the amount of the fee under this subdivision to an amount that does not exceed the cost of issuing an endorsement or letter, but in no event shall the fee amount exceed one hundred dollars (\$100).

- 2) *Automatic Denial of Reinstatement for Sexual Offenses.* To reduce unnecessary workload in cases where a petition for reinstatement will inevitably result in a denial, amend the bill as follows:

On page 2, after line 25, insert:

2661.7. (a) A person whose license has been revoked or suspended, or who has been placed on probation, may petition the board for reinstatement or modification of penalty, including modification or termination of probation, after a period of not less than the following minimum periods has elapsed from the effective date of the decision ordering that disciplinary action:

(1) At least three years for reinstatement of a license or approval revoked for unprofessional conduct, except that the board may, for good cause shown, specify in a revocation order that a petition for reinstatement may be filed after two years.

(2) At least two years for early termination or one year for modification of a condition of probation of three years or more.

(3) At least one year for reinstatement of a license revoked for mental or physical illness, or for modification of a condition, or termination of probation of less than three years.

(b) The petition shall state any facts as may be required by the board. The petition shall be accompanied by at least two verified recommendations from physical therapists licensed by the board who have personal knowledge of the activities of the petitioner since the disciplinary penalty was imposed.

(c) The petition may be heard by the board. The board may assign the petition to an administrative law judge designated in Section 11371 of the Government Code. After a hearing on the petition, the administrative law judge shall provide a proposed decision to the board that shall be acted upon in accordance with the Administrative Procedure Act.

(d) The board or the administrative law judge hearing the petition may consider all activities of the petitioner since the disciplinary action was taken, the offense for which the petitioner was disciplined, the petitioner's activities during the time the license was in good standing, and the petitioner's rehabilitative efforts, general reputation for truth, and professional ability. The hearing may be continued, as the board or the administrative law judge designated in Section 11371 of the Government Code finds necessary.

(e) The administrative law judge designated in Section 11371 of the Government Code when hearing a petition for reinstating a license, or modifying a penalty, may recommend the imposition of any terms and conditions deemed necessary.

(f) ~~No petition shall be considered while the~~ *The board shall not consider a petition under this section if any of the following apply:*

(1) *The* petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole. ~~No petition shall be considered while there~~

(2) *There* is an accusation or petition to revoke probation pending against the petitioner.

(3) *Subject to Section 480, the petitioner is convicted of a crime that would result in the automatic denial of an application for a license and either of the following conditions apply:*

(A) *The petitioner is required to register pursuant to Section 290 of the Penal Code. This subparagraph does not apply to a petitioner who is required to register solely because of a misdemeanor conviction under Section 314 of the Penal Code.*

(B) *The conduct underlying the conviction was a violation of subdivision (m) of Section 2660.*

(g) The board may deny, without a hearing or argument, any petition filed pursuant to this section within a period of two years from the effective date of the prior decision following a hearing under this section.

~~(g)~~ (h) Nothing in this section shall be deemed to alter Sections 822 and 823.

3) *Sunset Extension.* To extend the PTBC by four more years, amend the bill as follows:

On pages 1-2, lines 1-2 and 1-9:

~~**SECTION 1.** It is the intent of the Legislature to evaluate the Physical Therapy Board of California through the joint legislative sunset review oversight process and to subsequently include in this bill recommendations produced through that process.~~

~~**SEC. 2.**~~ Section 2602 of the Business and Professions Code is amended to read:

2602. (a) The Physical Therapy Board of California shall enforce and administer this chapter.

(b) This section shall remain in effect only until January 1, ~~2027~~, 2031, and as of that date is repealed.

On page 2, after line 25:

2607.5. (a) The board may employ an executive officer exempt from the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code) and may also employ investigators, legal counsel, physical therapist consultants, and other assistance as it may deem necessary to carry out this chapter. The board may fix the compensation to be paid for services and may incur other expenses as it may deem necessary. Investigators employed by the board shall be provided special training in investigating physical therapy practice activities.

(b) The Attorney General shall act as legal counsel for the board for any judicial and administrative proceedings and their services shall be a charge against it.

(c) This section shall remain in effect only until January 1, ~~2027~~, 2031, and as of that date is repealed.

REGISTERED SUPPORT:

There is no support on file.

REGISTERED OPPOSITION:

There is no opposition on file.

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