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**SENATE COMMITTEE ON  
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**  
Senator Dr. Aisha Wahab, Chair  
2025 - 2026 Regular

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**Bill No:** AB 2774 **Hearing Date:** June 29, 2026  
**Author:** Committee on Business and Professions  
**Version:** April 22, 2026  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Yeaphana La Marr

**Subject:** Physical Therapy Board of California

**SUMMARY:** Extends the sunset date of the Physical Therapy Board of California (PTBC or Board) to January 1, 2031, and makes statutory improvements and policy reforms in response to issues raised during the board's sunset review.

**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 (Act) and establishes the PTBC until January 1, 2027, to administer and enforce the Act. (Business and Professions Code (BPC) §§ 2600, *et seq.*)
- 2) Authorizes the Board 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 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 Board may decrease or increase, up to \$300. On or after January 1, 2016, both are set to \$300. (BPC §§ 2653, 2688(a), Title 16 of the California Code of Regulations (16 CCR) § 1399.50(a)-(b))

- b) PT initial license fee of \$100, which the Board may decrease or increase, up to \$150. On or after January 1, 2016, fee set at \$150. (BPC § 2688(c), 16 CCR §1399.50(c))
- c) PT biennial license renewal fee of \$200, which the Board may decrease or increase, up to \$300. On or after January 1, 2016, fee set at \$300. (BPC § 2688(d)) (BPC § 2688(d)) CCR tit. 16 § 1399.50(d))
- d) PTA application and initial license fee of \$125 and PTA foreign graduate application and initial license fee of \$200, which the Board may decrease or increase, up to \$300. On or after January 1, 2016, sets both at \$300. (BPC § 2688(e), 16 CCR § 1399.52(a)-(b))
- e) PTA biennial license renewal fee of \$200, which the Board may decrease or increase, up to \$300. On or after January 1, 2016, fees set at \$300. (BPC § 2688(f), 16 CCR § 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 Board to deny an applicant for a PT or PTA license if the applicant is 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 Board 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(a))
- 11) Prohibits a petition from being considered while the petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole or while there is an accusation or petition to revoke probation pending against the petitioner. Authorizes the board to deny, without a hearing or argument, any petition filed within a period of two years from the effective date of the prior decision following a hearing, as specified. (BPC § 2661.7(f))

**This bill:**

- 1) Extends the sunset date for the PTBC to January 1, 2031.
- 2) Provides that should the PTBC be allowed to sunset in the future, the Board is subject to review by the appropriate policy committees of the Legislature.

- 3) Prohibits the Board from considering a petition for license reinstatement from any applicant for whom the following apply:
  - a) The petitioner is under sentence for any criminal offense, including any period during which the petitioner is on court-imposed probation or parole.
  - b) There is an accusation or petition to revoke probation pending against the petitioner.
  - c) Subject to Section 480, the petitioner has been convicted of a crime that would result in the automatic denial of an application for a license and either of the following apply:
    - i) 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.
    - ii) The conduct underlying the conviction was a violation of subdivision (m) of Section 2660.
- 4) Codifies present fees that are established in regulation and repeals outdated fees.

**FISCAL EFFECT:** This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, this bill will result in annual costs of approximately \$12.5 million in fiscal year 2026-27 and ongoing to extend the operation of PTBC.

**COMMENTS:**

1. **Purpose.** This bill is the sunset review vehicle for the PTBC, authored by the Assembly Business and Professions Committee. The bill extends the sunset date for the Board and enacts technical changes, statutory improvements, and policy reforms in response to issues raised during the Board's sunset review process. This is one of five sunset bills authored by the Assembly Committee on Business and Professions.
2. **Oversight Hearings and Sunset Review of Licensing Boards and Programs.** In March 2026, the Senate Business, Professions and Economic Development Committee and the Assembly Committee on Business and Professions (Committees) began their comprehensive sunset review oversight of ten regulatory entities, including CBOT. The Committees conducted three oversight hearings. This bill and the accompanying sunset bills are intended to implement legislative changes as recommended by staff of the Committees, and which are reflected in the Background Papers prepared by Committee staff for each agency and program reviewed this year.
3. **Background on PTBC.** 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.

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 the physical, psychological, emotional, and social well-being of patients/clients. 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.

At the end of fiscal year (FY) 2024-25,<sup>3</sup> 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.

4. **Sunset Review Oversight of the Board.** The Board was last reviewed as part of the comprehensive sunset oversight review program in 2022. Following are select issues pertaining to PTBC, along with background information concerning the particular issue:

**a) Sunset Issue #1: Statutory Fee Cap Increase.**

Background: This issue is a continuation of discussions from Issue #1 from its 2017 sunset review and Issue #3 from the PTBC's 2022 sunset review. During the Board's 2017 sunset review, the Sunset Review Report stated:

In an effort to avoid an operational deficiency within the next 5 years or prior to PTBC's 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 with a projected 7.7 months of operating reserves and continuing to decrease each FY with projected insolvency occurring FY 2025/26. The fee maximum increases were ultimately not included in the final sunset bill.

The DCA budget office projections in the Board's 2025 Sunset Review Report indicate that the Board's fund is expected to reduce to 6.6 months of operating reserves by FY 2026/27. If those projections are actualized, insolvency is possible beyond FY 2030/31, which would not allow the Board time to seek an increase during the next sunset review.

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 (\$183,000 Attorney General costs, \$122,000 for the Office of Administrative Hearings, and \$271,582 Personnel Services and Operating Expenses). 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.

Recommendation and Proposed Statutory Change: 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.

The proposed statutory change is discussed in Comments and Suggested Amendments.

**b) Sunset Issue #4: Automatic Denial of Reinstatement for Sexual Offenses.**

Background: 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.

Recommendation and Proposed Statutory Change: 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.

This bill includes the Board's proposal to enact the above list of conditions under which a petition for license reinstatement are automatically denied.

**c) Sunset Issue #11: Continuation of the Board.**

Background: 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.

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

This bill extends the Board's sunset date to January 1, 2031.

5. **Arguments in Support.** The Physical Therapy Board of California writes, "AB 2774 includes several proposed provisions that strengthen PTBC's regulatory and administrative framework. These provisions reflect issues identified during the sunset review process and support PTBC's mission "to protect the people of California by the effective administration of the Physical Therapy Practice Act." The Board continues to work collaboratively with the Legislature and stakeholders on remaining sunset review items still under discussion. In the interim, PTBC is pleased to support the advancement of AB 2774."

6. **Comments and Suggested Amendments.**

*Sunset Issue #1: Increase Fee Caps.* Original projections submitted to the Committees did not include budget deficiencies identified in the Current Year 2025/26 due to increased costs associated with disciplinary actions and operating expenses, but updated fund condition tables indicate the Board is facing insolvency sooner than expected.

The Board is anticipating needing to increase revenue through a fee increase, which it has not done since 2016. The Board submitted a fee study that recommended increases to five fee maximums – the PT and PT foreign graduate application fee, PT license fee, PT renewal fee, PTA and PTA foreign graduate application and license fee, and the PTA renewal fee. The suggested amendments would not increase actual fees. The Board currently has a few months of reserves and would increase fees incrementally through the rulemaking process when necessary.

Amend BPC § 2688 as follows:

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 shall be one hundred twenty-five dollars (\$125). The fee for an application submitted under Section 2653 to the board shall be two hundred dollars (\$200).

(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).~~ *six hundred dollars (\$600).*

(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 shall be one hundred dollars (\$100).

(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).~~ *three hundred dollars (\$300).*

(d) (1) The fee to renew a physical therapist license shall be two hundred dollars (\$200).

(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).~~ *six hundred dollars (\$600).*

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

*Animal Physical Therapy.* The appropriate use of physical and manual therapy techniques originally developed for humans on animal patients has been discussed in prior sunset review oversight efforts for PTB and via legislative attempts to formalize this activity. The issue was most recently raised during the 2025 sunset discussion of the California Veterinary Medical Board (CVMB) under Issue #20. There is a subset of non-veterinarian PTs and chiropractors that have adapted their training and experience to treat animal patients. These stakeholders believe the current CVMB supervision requirements are too restrictive to meet the needs of consumers. Veterinarian stakeholders disagree and believe the current requirements are necessary to protect consumers.

Currently, there are no statutes that specifically address animal physical therapy or other practices adapted for use in veterinary medicine. Instead, the Veterinary Medicine Practice Act prohibits the practice of any aspect of veterinary medicine unless provided by a licensed veterinarian, a registered veterinary technician (RVT), or by an unlicensed veterinary assistant under direct supervision. However, the CVMB's regulations specifically authorize physical therapy under its animal physical rehabilitation (APR) regulations. The supervision requirements allow a PT to provide services under the direct supervision of a veterinarian who (1) is either on premises and has personally examined the animal patient.

California PTs operate as unlicensed veterinary assistants who practice under direct supervision by a veterinarian who is onsite and quickly and easily available, in a registered premises, on an animal that has been examined by a veterinarian.

One framework that has been proposed in an attempt to settle disagreements around the level of supervision would allow a supervising veterinarian to determine the level of supervision. This provider-extender framework is loosely based on the physician-physician assistant delegation model. In that model, the supervising provider determines what services and under what circumstances the supervised provider is authorized to provide.

The following are key components of that model:

- 1) Define the practice.
- 2) Require the relevant human healthcare license and standardized education, training, and continuing education in the animal-adapted practice.
- 3) Require veterinarian-determined supervision. If no determination is made, default to direct supervision.
- 4) Consideration of animal-specific differences.
- 5) Delineate the disciplinary roles of the CVMB and the relevant board of the adapted practice. Specifically, the CVMB maintains primary jurisdiction over veterinary practices and the original board maintains secondary and cross-cutting jurisdiction.
- 6) Require the animal-adapted practitioner to register with the CVMB.
- 7) Require the supervising veterinarian to examine the animal and establish a veterinarian-client-patient relationship.
- 8) Require standard consumer disclosures.
- 9) Establish premises, safety protocol, and inspection requirements.
- 10) Clarify that the liability for services lies with the treating provider.
- 11) Protect titles as necessary.
- 12) Authorize fees.

*The Author may wish to consider amending this bill to include a framework as described above to ensure continued access to animal physical therapy.*



**SUPPORT AND OPPOSITION:**

Support:

Physical Therapy Board of California

Opposition:

None received

**-- END --**