SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

AB 742 (Elhawary) Version: July 2, 2025 Hearing Date: July 15, 2025 Fiscal: Yes Urgency: No AWM

SUBJECT

Department of Consumer Affairs: licensing: applicants who are descendants of slaves

DIGEST

This bill requires all licensing boards, bureaus, commissions, and programs (boards) within the Department of Consumer Affairs (DCA) to expedite the applications of applicants seeking licensure who are descendants of slaves, as certified by the to-becreated Bureau for Descendants of American Slavery (Bureau).

EXECUTIVE SUMMARY

In 2020, the Legislature passed, and the Governor signed, SB 3121 (Weber, Ch. 319, Stats. 2020), which established the first-in-the nation Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States (Task Force) to study and develop reparations proposals for California's role in accommodating and facilitating slavery, perpetuating the vestiges of enslavement, enforcing state-sanctioned discrimination, and permitting pervasive, systematic structures of discrimination against African Americans. The Task Force completed its work and issued its final report in 2023. The report contains a number of recommended remedies the state could implement in order to atone for its decades of state-sanctioned white supremacy.

This bill is intended to remediate one of the historical wrongs discussed by the Task Force, relating to discrimination in professional licensing. Specifically, this bill requires professional boards within the DCA to expedite the licensure applications of persons who are certified as descendants of American enslaved persons by the Bureau. The bill's effectiveness is contingent upon two events: the passage of SB 518 (Weber Pierson, 2025), which establishes the Bureau, and the Bureau's implementation of the procedure for certifying persons as descendants of American enslaved persons; boards will then be required to expedite the applications of certified descendants for four years from the AB 742 (Elhawary) Page 2 of 8

implementation of the certification process, or until January 1, 2032, whichever is earlier.

This bill is sponsored by the author and is supported by the Board of Behavioral Sciences and the Contractors State License Board. The Committee has not received timely opposition to this bill. The Senate Business, Professions and Economic Development Committee passed this bill with a vote of 8-2.

PROPOSED CHANGES TO THE LAW

Existing constitutional law:

- 1) Provides for equal protection under the law as follows:
 - a) Under the United States Constitution, provides that no state shall deny to any person within its jurisdiction the equal protection of the laws. (U.S. Const., 14th Amend., § 1.)
 - b) Under the California Constitution, provides that a person may not be denied the equal protection of the laws, and that a citizen or class of citizens may not be granted privileges or immunities not granted on the same terms to all citizens. (Cal. Const., art. I, § 7.)
- 2) Provides that the State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. (Cal. Const., art. I, § 31.)

Existing law:

- 1) Establishes the DCA, which oversees specified boards, bureaus, and commissions established within the DCA for the purpose of ensuring that the 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. (Bus. & Prof. Code, div. 1, §§ 100 et seq.)
- 2) Sets forth the boards, bureaus, and commissions established within the DCA (DCA boards), which regulate a wide range of professions, including professions relating to medicine and mental health, security and investigative services, automotive repair, pest control, real estate appraisers, and professional fiduciaries. (Bus. & Prof. Code, § 101.)¹
- 3) Requires every DCA board to inquire in every application for licensure whether the individual applying for licensure is serving in, or has previously served in, the military. (Bus. & Prof. Code, § 114.5(a).)

¹ The State Bar of California is not a DCA board. (See Bus. & Prof. Code, § 6001.)

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- 4) Requires a DCA board to expedite, and permits the board to assist, the initial licensure process for an applicant who supplies satisfactory evidence that they have served as an active duty member of the Armed Forces of the United States and were honorably discharged, or that they are an active duty member of a regular component of the Armed Forces of the United States enrolled in the United States Department of Defense SkillBridge program. (Bus. & Prof. Code, § 115.4.)
- 5) Requires a DCA board to expedite the licensure process for an applicant who meets both of the following requirements:
 - a) Supplies evidence satisfactory to the DCA board that they are married to, or in a domestic partnership or other legal union with, an active duty member of the Armed Forces of the United States who is assigned to a duty system in this state under official active duty military orders.
 - b) Holds a current license in another state, district, or territory of the United States in their profession or vocation for which the applicant seeks a license from the board. (Bus. & Prof. Code, § 115.5.)
- 6) Requires a DCA board to expedite, and permits the board to assist, the initial licensure process for an applicant who supplies satisfactory evidence to the board that they have been admitted to the United States as a refugee, have been granted asylum, or have a special immigrant visa, under specified federal laws. (Bus. & Prof. Code, § 135.4.)
- 7) Requires the Medical Board of California, the Osteopathic Medical Board of California, the Board of Registered Nursing, and the Physician Assistant Board to expedite the licensure process for an applicant who demonstrates that they intend to provide abortions, as defined, within the scope of practice of their licensure. (Bus. & Prof. Code, § 870.)
- 8) Requires the Medical Board of California to develop a process to give priority review status to the application of an applicant for a physician and surgeon's certificate who can demonstrate that they intend to practice in a medically underserved area or to serve a medically underserved population, as defined. (Bus. & Prof. Code, § 2092.)
- 9) Prohibits the inclusion of any question relative to an applicant's race, sex, marital status, or religion on any application blank or form required to be filled in and submitted by an applicant to any department, board, commission, officer, agent, or employee of this state is prohibited. (Gov. Code, § 8310.)
- 10) Defines, for purposes of 11) and 12), "licensing board" to include any state board that has the ability to grant licenses or certificates which are prerequisites to employment eligibility or professional status. (Gov. Code, § 12944(f).)

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- 11) Prohibits a licensing board to require any examination or establish any other qualification for licensing that has an adverse impact on any class by virtue of its race, creed, color, national origin or ancestry, sex, gender, gender identity, gender expression, age, medical condition, genetic information, physical disability, mental disability, reproductive health decisionmaking, or sexual orientation, unless the practice can be demonstrated to be job-related. (Gov. Code, § 12944(a).)
- 12) Prohibits a licensing board, unless specifically acting in accordance with federal equal employment opportunity guidelines or regulations, to print or circulate or cause to be printed or circulated any publication, or to make any non-job-related inquiry, either verbally or through use of an application form, which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, sex, gender, gender identity, gender expression, age, reproductive health decisionmaking, or sexual orientation or any intent such limitation, specification, or discrimination. (Gov. Code, § 12944(c).)

Former state law established the Task Force to develop reparations proposals for African Americans, with special consideration for African Americans who are descended from persons enslaved in the United States, and provided that the Task Force statutes would remain in effect until July 1, 2023, and as of that date be repealed. (former Gov. Code, §§ 8301-8301.7, repealed by Gov. Code, § 8301.7.)

This bill:

- 1) Provides, notwithstanding any other law, once the process to certify descendants of American slaves is implemented by the Bureau that confirms an individual's status as a descendant of an American slave, that each DCA board shall expedite applications for applicants seeking licensure who are descendants of American slaves.
- 2) Provides that 1) shall become operative on the date that the Bureau implements the certification process, and shall remain in effect only for four years from the date on which 1) becomes operative, or until January 1, 2032, whichever is earlier.
- 3) Provides that 1)-2) become operative only if SB 518 (Weber Pierson, 2025) is enacted, establishing the Bureau.

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COMMENTS

1. <u>Author's comment</u>

According to the author:

By prioritizing descendants of slaves when applying for licenses, we hope to increase the number of applicants and recipients of licensure in various businesses and professions where descendants of slaves have often been overlooked and underrepresented. This is one small step in righting the wrongs of the past.

2. The Task Force's report and recommendations

In 2020, the Legislature enacted AB 3121 (Weber, Ch. 319, Stats. 2020), which created the first-in-the-nation Task Force to explore options for providing reparations to African Americans, and particularly the descendants of enslaved persons, in recognition of California's role in the heinous institution of slavery and the post-abolition perpetuation of racist institutions.² The Task Force released an interim report on June 1, 2022, which provided the Task Force's preliminary findings regarding the ongoing and compounding harms caused by federal, state, and local governments from slavery and the " 'badges and incidents of slavery' " that continued to be imposed on African Americans long after slavery was formally abolished.³ The report notes that, because "the effects of slavery infected every aspect of American society over the last 400 years...it is nearly impossible to identify every 'badge and incident of slavery,' to include every piece of evidence, or describe every harm done to African Americans."⁴

On June 29, 2023, the Task Force issued its final report to the California Legislature, known as the California Reparations Report.⁵ The California Reparations Report incorporates and updates the interim report and recommends appropriate remedies, including compensation, for African Americans as recompense for the State's gross human rights violations against African Americans and their descendants.⁶ The California Reparations Report explains:

[T]he harms inflicted upon African Americans have not been incidental or accidental – they have been by design. They are the result of an all-

² HR 40 (Pressley, 119th Cong., 2025-2026), a federal bill to create a federal commission to study the effects of slavery and discrimination on African Americans and devise reparations proposals, is pending before the House Committee on Judiciary. The bill has been introduced every year since 1989.

³ California Task Force to Study and Develop Reparation Proposals for African Americans, Interim Report (June 1, 2022), *available at* <u>https://oag.ca.gov/ab3121/reports</u>. All links in this analysis are current as of July 10, 2025.

⁴ *Id.* at p. 5.

 ⁵ See generally California Reparations Report (2023), available at <u>https://oag.ca.gov/ab3121/reports</u>.
⁶ Id. at p. 4.

encompassing web of discriminatory laws, regulations, and policies enacted by government. These laws and policies have enabled government officials and private individuals and entities to perpetuate the legacy of slavery by subjecting African Americans as a group to discrimination, exclusion, neglect, and violence in every facet of American life. And there has been no comprehensive effort to disrupt and dismantle institutionalized racism, stop the harm, and redress the specific injuries caused to descendants and the larger African American community.⁷

The Task Force developed its recommendations for reparations taking into account this willful infliction of harm and applying international standards and principles for the remedy of wrongs and injuries caused by a government.⁸

One of the topics addressed in the final report is the exclusion of Black workers from professions requiring a professional license.⁹ Throughout the nineteenth and well into the twentieth centuries, "[s]tate licensure systems worked in parallel to exclusion by unions and professional societies in a way that has been described by scholars as 'particularly effective' in excluding Black workers from skilled, higher paid jobs."¹⁰ Boards erected barriers to licensing that were not explicitly race-based – such as requiring, as a condition of licensure, a worker to have completed an apprenticeship, even though the apprenticeship excluded Black workers – and personal interview requirements, which allowed racist board members to exclude Black workers for nebulous personal reasons.¹¹

The use of licensure to regulate professions in the U.S. increased dramatically over the second half of the twentieth and the beginning of the twenty-first century – only 5 percent of professions required licensure in the 1950s, but by 2018, that number was up to 21.8 percent.¹² Even in cases where licensing standards were not deliberately crafted to exclude Black workers, the *de facto* effect was often to prevent Black workers from obtaining licenses at higher rates.¹³ For example, licensing restrictions often refuse to grant licenses to individuals with criminal records; given the over-policing of Black communities and disproportionate prosecution of Black individuals for things like low-level drug use, the effect has been to also disproportionately exclude Black workers from obtaining professional licenses.¹⁴ The relative lack of access to professional licensure, in turn, is a contributing factor in the pervasive racial wealth gap.¹⁵

⁷ *Id.* at p. 48.

⁸ *Id.* at p. 512.

⁹ *Id.* at pp. 362-363.

¹⁰ *Id.* at p. 362 (footnote omitted).

¹¹ Ibid.

¹² *Id.* at p. 363.

¹³ Ibid.

¹⁴ *Id.* at pp. 363, 402-404, 406-408.

¹⁵ *Id.* at pp. 489-490.

3. <u>This bill requires DCA boards to expedite licensure applications for persons certified</u> as descendants of American enslaved persons by the Bureau

This bill requires DCA boards to expedite the licensure applications of persons who are certified by the Bureau as descendants of American enslaved persons. The bill will take effect only if SB 518 (Weber Pierson, 2025), which establishes the Bureau, is enacted, and the requirement to expedite applications will become effective only as of the date that the Bureau implements a process to certify persons as descendants of American slaves. The expedited licensure requirement will then be in effect only for four years from the implementation of the certification process, or until January 1, 2032, whichever is earlier.

The Senate Business, Professions and Economic Development Committee, which passed this bill with a vote of x-y, analyzed this bill from an overall policy standpoint, including the likely effects on the various DCA boards and applicants for licensure. As their analysis notes, California already requires DCA boards to expedite the licenses of certain other types of applicants, including members of the armed forces and their spouses, refugees, and medical practitioners who will provide abortion services.¹⁶

This bill was referred to this Committee to consider the question of whether expediting applications for persons who have been certified as descendants of American enslaved persons violates any constitutional principles. But because this bill delegates the question of who qualifies as a descendant, and how a person can become certified as a descendant, to the Bureau, the viability of this bill's provisions will likely rise and fall with the success of the Bureau. As currently in print, SB 518's definition of "descendant" does not include a race-based classification or a classification that serves as a proxy for all members of a single race, so the strict-scrutiny analysis for race-based classifications should not apply. With respect to whether this particular bill serves a reparatory purpose, licensure regimes were historically used to exclude descendants of American slaves from professions, so this modest measure appears to fit the historical wrong.

Two of the boards to which this bill would apply, the Board of Behavioral Sciences and the Contractors State License Board, are in support of the bill.

SUPPORT

Board of Behavioral Sciences Contractors State License Board

OPPOSITION

None received

¹⁶ Bus. & Prof. Code, §§ 115.4, 155.5, 135.4, 2092.

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RELATED LEGISLATION

Pending legislation:

SB 518 (Weber Pierson, 2025) establishes the Bureau for Descendants of American Slavery within state government, contingent upon an appropriation by the Legislature, and establishes the Bureau's duties, as specified. SB 518 is pending before the Assembly Appropriations Committee.

AB 1522 (Committee on Judiciary, 2025) requires the State Bar, on or before January 1, 2026, to transmit to the Supreme Court a proposal outlining a process for expediting the licensure to practice law in this state of an attorney who meets specified criteria, including being employed by an agency of the federal government on January 20, 2025. AB 1522 is pending before this Committee.

Prior legislation:

SB 1403 (Bradford, 2024) would have established the California Freedmen Affairs Agency which would, among other things, implement and oversee the implementation of the recommendations of the Task Force. SB 1403 died on the Assembly Floor.

AB 2862 (Gipson, 2024) would have required all licensing boards, bureaus, commissions, and programs (boards) within the Department of Consumer Affairs (DCA) to prioritize African American applicants seeking licensure, especially those who are descended from an enslaved person in the United States, until January 1, 2029. AB 2862 died in the Senate Business, Professions and Economic Development Committee.

AB 2442 (Zbur, 2024) would have required specified boards to expedite the licensure process for an applicant who demonstrates that they intend to provide gender-affirming care. Governor Newsom vetoed the bill, stating in his message that he was "concerned about the aggregate effect of legislation that seeks to expedite licensure."

AB 657 (Cooper, Ch. 560, Stats. 2022) required specified DCA boards to expedite licensure applications from applicants who demonstrate that they intend to provide abortion care, as defined.

PRIOR VOTES:

Senate Business, Professions and Economic Development Committee (Ayes 8, Noes 2) Assembly Floor (Ayes 57, Noes 14) Assembly Appropriations Committee (Ayes 11, Noes 3) Assembly Judiciary Committee (Ayes 8, Noes 2) Assembly Business and Professions Committee (Ayes 12, Noes 2)
