

- d) Has submitted evidence acceptable to the board that any training the apprentice is required by law to obtain shall be conducted in a licensed establishment and under the supervision of a licensee approved by the board. (BPC § 7334(a)(1))
- 6) Authorizes the Board to license an apprentice in electrolysis any person who has made application to the board upon the proper form, has paid the fee required by this chapter, and who is qualified as follows:
 - a) Is not less than 17 years of age.
 - b) Has completed the 12th grade or an accredited senior high school course of study in schools of this state or its equivalent.
 - c) Is not subject to denial pursuant to Section 480.
 - d) Has submitted evidence acceptable to the board that any training the apprentice is required by law to obtain shall be conducted in a licensed establishment and under the supervision of a licensee approved by the board.(BPC § 7334(b))
- 7) Authorizes any person, firm, or corporation desiring to operate an establishment to make an application to the board for a license. (BPC § 7347)
- 8) Requires an establishment to be in the charge of a person licensed pursuant to the Act, except an apprentice, at all times. (BPC § 7348)
- 9) Requires the board to establish by regulation a schedule of administrative fines for violations of this chapter that directly impact consumer safety. (BPC § 7407)
- 10) Requires the Board to establish by regulation a board-offered remedial education program, in lieu of a first offense of a health and safety violation. (7407.1(b)(1))

This bill:

- 1) Extends the Board's authority to administer the Act through January 1, 2031.
- 2) Specifies that it is unlawful for a partnership or limited liability company (LLC) to engage in the Board's regulated professions without a valid unexpired license issued by the Board.
- 3) Clarifies that an apprentice must be employed by the owner of a license establishment.
- 4) Requires an applicant for an apprenticeship in barbering, cosmetology, skin care, nail care, or electrolysis to submit a copy of the apprentice agreement that was entered into between the approved program sponsor and the apprentice to the Board for approval.

- 5) Provides that failure to comply with the Act and all laws and regulations applicable to apprenticeships by a trainer or the establishment owner is grounds for disciplinary action, citation and fines, and prohibition from hiring future apprentices.
- 6) Authorizes a partnership and LLC desiring to operate an establishment to make an application to the board for a license.
- 7) Specifies that failure of an establishment licensed to do business as a corporation or LLC state to be registered and in good standing with the Secretary of State after notice from the board shall result in the automatic suspension of the license by operation of law and creates a pathway to reinstate the license after providing proof of good standing with the Secretary of State to the Board.
- 8) Defines "federally recognized tribe," and "participating tribe," for purposes of licensing under the Act.
- 9) Exempts tribes that apply for a license from remaining in good standing with the Secretary of State if the tribe's business is chartered under tribal or federal law.
- 10) Specifies that the Act does not infringe upon or diminish existing rights of federally recognized tribes as set forth in federal, state, or tribal law.
- 11) Declares that the state shall not regulate any activity within the jurisdiction of a federally recognized tribe.
- 12) Requires an establishment to be in the charge of a person licensed as a barber, cosmetologist, electrologist, esthetician, hairstylist, manicurist, or establishment at all times during which barbering, cosmetology, electrology, esthetics, hairstyling services, or manicuring are being performed in the establishment.
- 13) Clarifies that the remedial education program to be established by regulation in lieu of a first offense health and safety violation is a Board-approved program.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

1. **Purpose.** This bill makes various technical updates and revisions along with policy changes to enhance operations and efficiencies at the BBC stemming from the Board's participation in the Committee's 2026 sunset review process. This bill is one of five sunset bills sponsored by the Author. According to the Author, "this bill is necessary to make changes to the BBC to improve oversight of the regulated professions under its jurisdiction."
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 BBC. 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 BBC.** The Board is responsible for licensing and regulating barbers, cosmetologists, estheticians, electrologists, manicurists, apprentices, hairstylists, and establishments through its authority vested in the Act. Each profession has its own scope of practice with some overlap in areas. Title protection is provided for the use of the terms “cosmetologist” and “barber” (BPC §§ 7320.3, 7320.4). The Act also regulates the specialty branches within the practice of cosmetology, including skin and nail care.

The Act provides exemptions for: those involved in the health care field who, within their own scope of practice, may perform particular procedures which would constitute the practice of barbering or cosmetology; commissioned officers in the military service, or their attendants, when engaged in the actual performance of their official duties; persons employed in the movie, television, theatrical, or radio business; persons selling or demonstrating certain products; and those who provide services while incarcerated under specified conditions (BPC § 7319). BBC is one of the largest boards in the country, with over 550,000 licensees. The Board annually issues approximately 275,000 initial and renewal licenses.

Applicants must submit a proof of training document to demonstrate completion of required technical and practical instruction, which varies depending on the scope of the license. In addition to each license individual training requirements, all require students to take: 1) one hundred hours instruction in health and safety, which includes hazardous substances, chemical safety, safety data sheets, protection from hazardous chemicals, preventing chemical injuries, health and safety laws and regulations, and preventing communicable diseases and 2) one hundred hours in disinfection and sanitation, which includes disinfection procedures to protect the health and safety of consumers as well as the technician and proper disinfection procedures for equipment used in establishments.

Alternatively, BPC § 7332 provides authority for an apprenticeship pathway to licensure. An apprentice is licensed to participate in a training program authorized by BPC § 7332 to engage in learning or acquiring a knowledge of their chosen profession in a licensed establishment under the supervision of a licensee approved by the Board. The apprenticeship program must also be approved by the Division of Apprenticeship Standards (DAS) and allows the trainee, an apprentice, to earn a wage while studying to become a cosmetologist, barber, esthetician, manicurist, or electrologist under the guidance and supervision of a trainer in an establishment licensed by Board.

4. **Sunset Review Oversight of the Board.** The BBC was last reviewed as part of the sunset review program in 2021. Following are select issues pertaining to the Board, along with background information concerning the particular issue. As the Committees, the BBC, and stakeholders continue to discuss statutory changes necessary to improve operations at the BBC, following are issues that may be addressed through legislation or continued discussion, as raised during the Sunset

Review Oversight Hearing of the Board, and those contained in the staff background paper:

a) Clean up and revision of BBC business requirements.

Background: The Board has historically issued establishment licenses to LLCs, but current statute is not clear if this business structure is allowed under the Act. SB 323 (Vargas, Ch. 419, 2012) enacted the California Revised Uniform Limited Liability Company Act, which allows a business that is required to be licensed under the Business and Professions Code to form as an LLC so long as the practice act specifically authorizes its licensees to form as an LLC (Corporations Code (CORP) § 17701.04 (b)). However, the Act does not authorize an establishment to form as an LLC.

Prior to the revisions to the limited liability company requirements, the Beverly-Killea Limited Liability Company Act prohibited domestic and foreign LLCs from rendering professional services in California. Professional services were defined as “any type of professional services which may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act.”

In 2004, Attorney General Opinion No. 04-103 concluded that, “A business that provides services requiring a license, certification, or registration pursuant to the Business and Professions Code may conduct its activities as a limited liability company if the services rendered require only a nonprofessional, occupational license.”

Following the AG opinion, numerous DCA boards and bureaus that issued occupational licenses began issuing licenses to LLCs, including the BBC. However, now that the question of whether “professional services” are being rendered is no longer a trigger and specific authority must be granted by the practice act, DCA programs have systematically requested authority to issue licenses to LLCs through amendments to their practice acts, most recently, the Home Furnishings and Thermal Insulation Act and Household Movers Act by SB 814 (Roth, Chapter 508, Statutes of 2023).

Many of the programs within DCA that issue licenses to corporations require the corporation to provide some form of information to demonstrate the corporation is in good standing with the SOS, whether it’s the SOS identification number, the statement of information, or a copy of the articles of incorporation as a condition precedent to licensure. Additionally, most of these programs automatically suspend a license when a licensee fails to remain in good standing with the SOS. It is unclear why the Board’s corporations do not follow suit.

Recommendations and Statutory Amendments: The Board should advise the Committees whether establishment licensees should demonstrate good standing with the Secretary of State as a condition of licensure. The Committees may wish to implement this requirement. The Committees may wish to implement explicit authority to license establishments formed as limited liability companies.

To address a) above, this bill proposes to amend the Act to include authority that allows the Board to continue issuing licenses to LLCs and partnerships. This bill also proposes to establish that failure of an establishment licensed as a corporation or limited liability company to be registered and in good standing with the Secretary of State (SOS) shall result in automatic license suspension; creates a mechanism to reinstate a suspended license; exempts tribes from meeting the SOS requirement; and defines “federally recognized tribe” and “participating tribe” for the purposes of the exemption from the requirement proposed by this bill. Additionally, Author’s amendments propose to authorize a participating tribe to be licensed as an establishment.

b) Combined licenses.

Background: The Board states that there is increased demand from applicants who wish to hold multiple licenses. The most frequently found dual license is among those who hold manicuring and esthetic licenses. The Board also reports increased demand from individuals seeking to hold a barber and a cosmetology license. To obtain both licenses, an individual must re-enroll in an approved school and complete additional hours and apply and pass the examination.

The Board proposed establishing combined license types as a way to allow an individual to attend one course of study, take and pay for only one examination, and maintain only one license. Other states are offering combined licenses include Alabama and Texas, which have a manicuring/esthetic license; Iowa and Utah, which have a cosmetology/barber license; and Florida, which offers a specialist registration that combines skin care and nail care.

Recommendations: The Board should inform the Committees of any other potential combinations or specialties that may be in demand by its licensees, if any. The Board should discuss the effects of adding new licenses and examinations on workload, lost revenue to combined licenses, the cost of examination development and administration, and additional relevant implementation details.

c) Licensure by endorsement.

Background: Unlike many programs within the Department, the Board has a straightforward procedure for a licensee from one state to become licensed in California. BPC § 7331 authorizes the Board to issue a license to an individual who holds a valid license in another state, submits a completed application and fees, and submits proof of a license in another state that is in good standing and not revoked, suspended, or otherwise restricted. BBC’s website notes that applicants for this process need to contact the entity that issued them a license, request a certification of that license to be sent directly to Board, and specifies that licensure documentation needs to come directly from the state the individual was originally licensed in.

The prior sunset legislation, SB 803 (Roth, Chapter 648, Statutes of 2021) streamlined the process, which previously required the license to have been active for three of the last five years, during which the applicant was not subject

to discipline or a criminal conviction. Since that change in policy in 2021, the Board has seen a significant increase in state-to-state license transfers. The Board reports instances where an individual who has not completed education or training obtains a license in another state and transfers their license to California. The Board has been working with multiple states on addressing fraud in the industry and through this process, became aware of individuals who submit fraudulent records to obtain a license in another state then uses that license to obtain a California license under BPC § 7331. The Board believes these individuals' intent is to circumvent taking the minimal competency examination. The Board suggests that the Act should be updated to provide the Board authority to require applicants for licensure from another state, who possess a license, to provide evidence of having passed a licensing examination from another U.S. state or territory.

Recommendations: The Board should inform the Committees about the actual fraud in license transfer, including the number of cases found and actions taken by the Board. The Board should advise the Committees of whether alternatives exist that would provide a defense against fraudulent license transfer.

d) Criminal background checks.

Background: Prior criminal history of BBC applicants and individuals in the beautification services industry has not been an area of focus, given the opportunities for jobs upon reentry that the industry provides. In 2006, AB 861 (Bass, Chapter 411) authorized the Board to issue a probationary license to applicants who may otherwise have been denied, subject to terms and conditions deemed appropriate by the Board, including participation in a rehabilitation program.

Subsequent to AB 861, AB 2138 (Chiu, Chapter 995, Statutes of 2017) reformed licensing decisions Department-wide by limiting the discretion provided to all entities within DCA applicable to criminal history as the basis for license denial, suspension, or revocation. AB 2138 specified these actions may only be taken if the applicant or licensee was convicted of a crime substantially related to the qualifications, functions or duties for which the individual is seeking licensure or is licensed, the conviction had to be within seven years of the date of application, and the applicant had to be given an opportunity to show evidence of rehabilitation, among other requirements (BPC § 480). Each of these provisions is broader in scope and more accommodating to applicants with convictions than provisions implemented specifically for the Board.

Typically, DCA programs require an applicant to furnish to the agency a full set of fingerprints for purposes of conducting criminal history record checks. The licensing entities may obtain and receive criminal history information from the Department of Justice and the United States Federal Bureau of Investigation for the purpose ensuring substantially related criteria is not cause for denial prior to licensure. Programs also receive subsequent arrest records to ensure licensees have not been convicted of a substantially related crime after being issued a license for the purpose of license maintenance.

Thirty-one programs within DCA are authorized to require fingerprints for these purposes (BPC § 144). However, the Act is one of seven practice acts within the DCA that does not require fingerprinting for its licensees. Instead, BPC § 480(f) authorizes BBC to require applicants for licensure to disclose criminal conviction history on an application for licensure. Essentially, BBC applicants are trusted to disclose their criminal histories.

During the sunset reporting period, the Board denied 15 applications based on criminal history that was self-disclosed and determined to be substantially related to the qualifications, functions, or duties of the profession, pursuant to BPC § 480. Considering the size of the Board's applicant pool, the Board's and CDCR's programs specifically designed to help inmates obtain a Board license, and the self-disclosure on the Board application, it is untenable to expect that the 15 individuals capture all who have been convicted of substantially related crimes out of 1,222,638 original applications and renewals received by the Board over the past four fiscal years.

Recommendations: The Board should inform the Committees if allowing applicants to self-disclose under penalty of perjury is in the best interest of consumer protection and whether fingerprinting and criminal background check requirements would enhance the Board's ability to protect consumers. The Board should also discuss any negative impacts that may be realized by requiring background checks of its applicants and whether it would prove to be a barrier to entry in the workforce. If so, would those barriers be offset by rehabilitation criteria and conviction aging limits enacted under AB 2138?

e) Apprenticeships.

Background: The Board offers apprenticeships as an alternative pathway toward licensure outside the traditional classroom education and training, which can be cost prohibitive for many students. The Legislature has evaluated multiple issues stemming from the apprenticeship program over previous sunset reviews, such as the quality of training received, the low examination pass rates of apprentices, and whether apprentices should be paid for their services while learning.

The number of apprenticeship programs has increased significantly in the past number of years. A contributing factor is thought to be that apprenticeship programs do not have to be approved as schools and therefore, are not required to undergo the Bureau for Private Post-Secondary Education approval process.

LAB § 3075.1 states the position of the Legislature as a matter of a practical form of training when it serves public interest, "It is the public policy of this state to encourage the utilization of apprenticeship as a form of on-the-job training, when such training is cost-effective in developing skills needed to perform public services." However, the Board has concerns about the current state of apprenticeships and the barriers that they are currently presenting.

The Board issued a *Report on the Status of the Apprenticeship Program*, which identifies several areas of concern, specifically:

- Tuition and Fees
- Low Passage Rates (Especially Spanish Pass Rates)
- Training Facilities/Academies
- On the Job Training Concerns
- Funding
- Wages and Workers Compensation
- Lack of Enforcement
- Overall Success of the Program
- Board Dedicated Resources

The above issues are examples that demonstrate opportunities for improvement to the current apprentice program for each of the areas of concern as identified by the Board and its staff. The Board submitted multiple legislative requests to implement significant reforms to the apprenticeship program focused on enhancing enforcement to improve the learning experience for apprentices, decrease costs to apprentices, increase the likelihood of successful outcomes, and increase compliance with the Act and Labor Code.

Recommendations and Statutory Amendments: The Board should work with the Committees to identify workable solutions to apprenticeship issues negatively impacting outcomes. The Committees may wish to implement reforms to the apprenticeship program in order to establish standards that define apprenticeship responsibilities, guardrails to protect apprentices from exploitation, and ensure proper training, while providing the Board with enforcement capability.

To address e) above, this bill proposes to clarify that an apprentice must be employed by the owner of a license establishment; require an applicant for an apprenticeship in barbering, cosmetology, skin care, nail care, or electrolysis to submit a copy of the apprentice agreement that was entered into between the approved program sponsor and the apprentice to the Board for approval; and provide that failure to comply with the Act and all laws and regulations that are applicable to apprenticeships by a trainer or the establishment owner is grounds for disciplinary action, citation and fines, and prohibition from hiring future apprentices.

f) Technical changes.

Background: There may be instances where non-substantive and technical changes to the Act are needed to correct deficiencies or other inconsistencies in the law. Because of numerous statutory changes and implementation delays, code sections can become confusing, contain provisions that are no longer applicable, make references to outdated report requirements, and cross-reference code sections that are no longer relevant. The Board's sunset review is an appropriate time to review, recommend, and make necessary statutory changes.

Recommendations and Statutory Amendments: The Committees may wish to amend the Act to include technical clarifications.

To address f), this bill makes several non-substantive, technical changes to improve Board operations and clarify the Act.

g) Continued regulation by the Board.

Background: As an organization, the Board functions well, meets performance metrics used to evaluate regulatory agency effectiveness, and lacks many of the structural problems that other boards face, such as issues regarding fiscal solvency. The Board has longstanding complications with defining enforcement authority when other regulatory agencies also have jurisdiction, such as school approvals and apprenticeships.

The Board continued, largely unchanged, for decades, then went through extensive reforms during its previous sunset, all of which were implemented without significant issue. Meanwhile, industry continues to evolve and grow, especially with the proliferation of social media and med/spas. The Board is not able to begin to reconcile its mandatory curriculum and scope of practice framework to sync to the constant developments in this space yet every day, Californians enroll in school and start the myriad necessary steps required to gain entry in the field and to enjoy economic opportunity available to appearance professionals. The vast majority of BBC licensees are women. Huge numbers of licensees are minorities. Immigrants have a pathway to prosperity and viable career options as beautification services professionals. Licensing implies that members of the public who receive services from an individual face serious harm if that individual has not met certain requirements necessary for that license. Barriers to employment are real, and in the case of beautification services professionals in California, the risk to consumers and harm to the public does not appear to justify maintaining status quo.

Recommendations and Statutory Amendments: BBC should be continued, to be reviewed again on a future date to be determined; however, the Committees should strongly consider modifications to the Act to enhance the Board's enforcement capability, modify apprenticeship requirements, and continue to reduce barriers to entry into the professions regulated by the Board.

To address g), this bill proposes extending the sunset date of the Board by four years to January 1, 2031.

5. **Proposed Author's Amendments.** The Author proposes amendments to authorize the Board to issue an establishment license to a federally recognized tribe. Other amendments propose to implement apprenticeship program reforms, including: defining approval requirements for apprenticeship program sponsors; defining acts that constitute unprofessional conduct by apprenticeship program sponsors; expanding upon minimum required conduct that an apprenticeship program must exercise to be in compliance with the Act; requiring apprentice trainers to meet performance requirements; and requiring licensed establishments to certify they

understand laws pertaining to apprenticeships and have no outstanding fines or pending or past disciplinary actions.

SUPPORT AND OPPOSITION:

Support:

None received

Opposition:

None received

-- END --