Office of Senate Floor Analyses
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UNFINISHED BUSINESS

Bill No: SB 1363
Author: Wahab (D)
Amended: 8/17/26
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 4/20/26
AYES: Wahab, Choi, Archuleta, Caballero, Grayson, Menjivar, Niello, Smallwood-Cuevas, Strickland, Umberg
NO VOTE RECORDED: Arreguín

SENATE APPROPRIATIONS COMMITTEE: 7-0, 5/14/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

SENATE FLOOR: 33-0, 5/22/26
AYES: Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Allen, Alvarado-Gil, Becker, Hurtado, Niello, Padilla, Stern

ASSEMBLY FLOOR: Passed, 8/24/26

SUBJECT: Barbering and cosmetology

SOURCE: Author

DIGEST: This bill makes technical changes, statutory improvements, and policy reforms to the Barbering and Cosmetology Act (Act) in response to issues raised during the Legislature's sunset review of the Board of Barbering and Cosmetology (Board or BBC), including changes to the apprenticeship program, authority to issue establishment licenses to partnerships and limited liability companies, and extends the Board's sunset date by four years to January 1, 2031.

Assembly Amendments make various updates to facilitate implementation; specify that a cosmetology student may provide transcripts as evidence of completion of a course in cosmetology; clarify information that shall be included on a copy of an agreement between an apprentice program sponsor and local education agency; clarify that the remedial education program that is imposed in lieu of a first offense is in lieu of the fine for the first offense; and make other technical and conforming amendments.

ANALYSIS:

Existing law:

1) Establishes the Act to regulate and license cosmetologists, barbers, estheticians, electrologists, manicurists, and establishments. (Business and Professions Code (BPC) §§ 7301-7315)

2) Establishes the Board within the Department of Consumer Affairs (Department or DCA) to administer the Act through January 1, 2027. (BPC § 7303)

3) Requires a Board apprenticeship program to be conducted in compliance with the Shelley-Maloney Apprentice Labor Standards Act of 1939 according to apprenticeship standards approved by the administrator of apprenticeship. (BPC § 7333)

4) Authorizes the Board to license an apprentice in barbering, cosmetology, skin care, or nail care, or electrolysis, any person who has made application to the Board upon the proper form, has paid the required fee, and who meets the license qualifications, as specified. (BPC § 7334(a)(1), (b))

5) Authorizes any person, firm, or corporation desiring to operate an establishment to make an application to the Board for a license. (BPC § 7347)

6) Requires the Board to establish by regulation a schedule of administrative fines for violations that directly impact consumer safety. (BPC § 7407)

7) 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) Specify that a cosmetology student may provide transcripts as evidence of completion of a course in cosmetology.

4) Clarifies that an apprentice must be employed by the owner of a license establishment.

5) Defines who shall be known as an apprenticeship program sponsor, states the license types for which an apprenticeship program sponsor may administer an apprenticeship, and establishes applications requirements to be approved by the Board to administer an apprenticeship.

6) Requires an apprentice program sponsor to be approved by the Division of Apprenticeship Standards before being approved by the Board.

7) Establishes acts that are cause for revocation, suspension, or denial of Board approval to administer an apprenticeship.

8) Establishes violations that shall be considered egregious for the purpose of issuing citations and fines, including charging fees to participate in an apprenticeship, franchising approval status, improper wage payment practices, and other serious violations.

9) 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.

10) Establishes responsibilities that must be met by a Board approved apprentice trainer to maintain that approval.

11) Establishes responsibilities that must be met by an establishment that is approved by the Board to employ apprentice trainers to maintain that approval.

12) 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.

13) Authorizes a partnership and LLC desiring to operate an establishment to make an application to the board for a license.

14) 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.

15) Defines "federally recognized tribe," and “participating tribe,” for purposes of licensing under the Act.

16) 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.

17) 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.

18) Declares that the state shall not regulate any activity within the jurisdiction of a federally recognized tribe.

19) Requires an establishment to be under 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.

20) 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.

Background

Oversight Hearings and Sunset Review of the Board of Barbering and Cosmetology. 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.

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 the CBNM. 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.

Clean up and revision of BBC business requirements. 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, Chapter 419, Statutes of 2012) enacted the California Revised Uniform Limited Liability Company Act, which allows a business that is required to be licensed under the BPC 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 (AG) Opinion No. 04-103 concluded that, "A business that provides services requiring a license, certification, or registration pursuant to the BPC 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 regardless, 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).

Separately, 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. This bill amends the Act to authorize the Board to continue issuing licenses to LLCs and partnerships. This bill also establishes that failure of an establishment licensed as a corporation or limited liability company to be registered and in good standing with the SOS shall result in automatic license suspension; creates a mechanism to reinstate a suspended license; authorizes the Board to issue an establishment license to federally recognized tribes; and exempts those tribes from meeting the SOS registration requirement when their business is chartered under tribal or federal law.

Apprenticeships. The Board offers apprenticeships as an alternative pathway to 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, which demonstrate opportunities for improvement to the current apprentice program. 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. This bill makes significant reforms to the Board's apprenticeship program by requiring trainers and apprenticeship program sponsors to apply for approval, establishing responsibilities for trainers and establishments, and authorizing the Board to take disciplinary action or cite and fine when appropriate. These amendments provide guardrails that are intended to protect apprentices from exploitation, improve outcomes, and increase compliance with the Act and the Labor Code.

Continued regulation by the Board. 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. This bill extends Board operations by four years to January 1, 2031.

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

Ongoing annual costs of approximately $22 million (Barbering and Cosmetology Contingent Fund) to support 93 positions for the continued operation of the Board's licensing and enforcement activities beyond the January 1, 2027, sunset date. This fund is fully self-supporting with fee revenue. The Board anticipates ongoing, absorbable annual costs of approximately $130,000 (special fund). These costs include $85,000 to administer the Remedial Education Program and track enrollment, completion, and compliance, and $45,000 related to Attorney General usage. The Board will be able to initiate and process revocations involving high-level enforcement support, including investigation and case prep, Attorney General handling, and post-hearing compliance. The Board anticipates additional absorbable costs related to regulatory updates which the Board cannot yet quantify. The Board estimates ongoing revenue of $8,000 (special fund) from a new license type, "Apprenticeship Program Sponsor." The Board indicates the fee amount for the new license type has not been identified but estimates a fee of $250 and anticipates receiving 32 applications. Renewal will occur every two years. The Department of Consumer Affair's Office of Information Services estimates one-time, absorbable costs of $70,000 to build a new "apprenticeship program sponsor" license type for the Board.

SUPPORT: (Verified 8/24/26)

Board of Barbering and Cosmetology

OPPOSITION: (Verified 8/24/26)

None received

Prepared by: Yeaphana La Marr / B., P. & E.D. /
8/24/26 17:23:55

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