May 8, 2025 SACRAMENTO, CALIFORNIA

Bureau of Household Goods and Services

Advisory Council Meeting





BUREAU OF HOUSEHOLD GOOD AND SERVICES ADVISORY COUNCIL MEETING NOTICE and AGENDA

IN PERSON AND TELECONFERENCE MEETING

Thursday, May 8, 2025, 10:00 am Until the Completion of Business

Meeting Location

WebEx and
Department of Consumer Affairs
1747 North Market Blvd. – 1st Floor
HQ2 Hearing Room #186
Sacramento, CA 95834

Important Notices to the Public: The Bureau of Household Goods and Services (Bureau) will hold a public meeting in person and via WebEx and a teleconference platform.

Note: The Bureau will endeavor to provide a reliable means for members of the public to participate remotely; however, in the unlikely event that the remote means fails, the meeting may continue in person. For this reason, members of the public are advised to consider attending the meeting in person in order to ensure their participation during the meeting.

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https://dca-meetings.webex.com/dca-meetings/j.php?MTID=m240954c34bb8d7f29b3ea159ea17486a

If joining using the link above Event Number: 2490 521 1840

Event Password: BHGS58

INSTRUCTIONS FOR PARTICIPATION: Please see the instructions attached here to observe and participate in the meeting using WebEx from a Microsoft Windowsbased PC.

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will be required to provide a unique



identifier, such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address in the following sample format: XXXXX@mailinator.com.

Public comments will be limited to three minutes unless, at the discretion of the Bureau Chief, circumstances require a shorter period. Members of the public will not be permitted to "yield" their allotted time to other members of the public to make comments.

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Teleconference/Audio Conference Option:

US Toll +1-415-655-0001 US Toll Access code: 2490 521 1840 Passcode: 244758

Advisory Council Members:

Pascal Benyamini, Public Burt Grimes, Industry Tom Keepers, Industry Sara Oakley, Industry Dan Rhodes, Industry Toby Taylor, Industry Steve Weitekamp, Industry

Agenda items may be taken out of order. Times stated are approximate and subject to change. Agenda order is tentative and subject to change at the discretion of the Advisory Council.

In accordance with the Bagley-Keene Open Meeting Act, all meetings are open to the public. Pursuant to Government Code section 11125.7, the Advisory Council provides the opportunity for the public to address each agenda item during discussion or consideration by the Advisory Council. Total time allocated for public comment on particular issues may be limited. Individuals may appear to discuss items not on the agenda; however, the Advisory Council may not discuss any matter not included in this agenda (Government Code sections 11125, 11125.7(a)).

The Bureau plans to webcast this meeting at https://thedcapage.blog/webcasts/. Webcast availability, however, cannot be guaranteed due to limited resources or technical difficulties. The meeting will not be cancelled if webcast is not available.



The meeting is accessible to the disabled. A person who needs disability-related accommodations or modifications to participate in the meeting may make a request by contacting Chris Janus via email at chris.janus@dca.ca.gov, by sending a written request to the address indicated above, or at TDD (800) 326-2297 for the hearing impaired. Please provide at least five working days' notice before the meeting to help ensure accommodations.

AGENDA

- 1. Deputy Bureau Chief Introduction, Call to Order, and Roll Call
- 2. Public Comment for Items Not on the Agenda Please note that the Advisory Council may not discuss any matter raised during this public comment section that is not included on this agenda (Government Code sections 11125, 11125.7(a)).
- 3. Update from Board and Bureau Relations, Department of Consumer Affairs
- 4. Fiscal Update
- 5. Business Modernization Update
- 6. Review November 14, 2024, Advisory Council Meeting Minutes
- 7. Administrative Program Update
- 8. Licensing Program Update
 - a. Implementation of Interstate Household Mover Application
- 9. Laboratory Update
- 10. Enforcement Program Update
- 11. Communications and Education Update
- 12. Legislative and Policy Updates
 - a. Household Movers Enforcement Regulations Update
 - b. Upholstered Furniture and Bedding Law Label Regulatory Proposal Update
 - c. Household Movers Permit Requirements Regulatory Proposal Update
 - d. AB 366 (2025): Petrie-Norris and Ransom: Ignition Interlock Devices
- 13. Next Advisory Council Meeting: October 16, 2025



- 14. Future Agenda Items
- 15. Adjournment

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Accept any request for permission to use your microphone and/or camera.





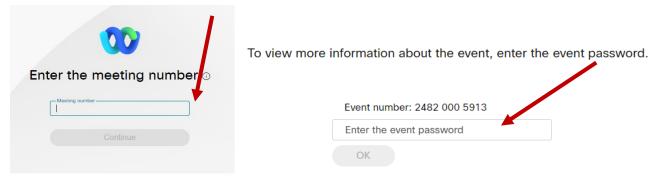
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Alternative 1. Join from Webex.com

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The meeting information will be displayed. Click "Join Event."



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Green microphone = Unmuted: People in the meeting can hear you.



Red microphone = Muted: No one in the meeting can hear you.

Note: Only panelists can mute/unmute their own microphones. Attendees will remain muted unless the moderator invites them to unmute their microphone.

Attendees/Members of the Public

Joined via Meeting Link

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Click the Unmute me button on the pop-up box that appears.



Joined via Telephone (Call-in User)

1. When you are asked to unmute yourself, press *6.



2. When you are finished speaking, press *6 to mute yourself again.

If you cannot hear or be heard

Click on the bottom facing arrow located on the Mute/Unmute button at the bottom of the Webex window.



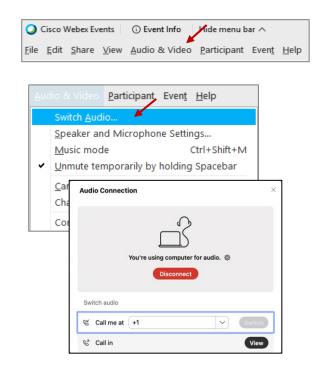
Microphone options if participants can't hear you.

Use system setting (Realtek(R) Audio) Speakers/Headphones (Realtek(R) Audio) Microphone Use system setting (Realtek(R) Audio) Microphone Array (Realtek(R) Audio) Settings...

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Hand Raise Feature

Joined via Meeting Link

- Locate the hand icon at the bottom of the Webex window.
- Click the hand icon to raise your hand.
- Repeat this process to lower your hand.



Joined via Telephone (Call-in User)



Press *3 to raise or lower your hand.

Unmuting

Joined via Meeting Link

The moderator will call you by name and indicate a request has been sent to unmute your microphone. Upon hearing this prompt:

Click the Unmute me button on the pop-up box that appears.



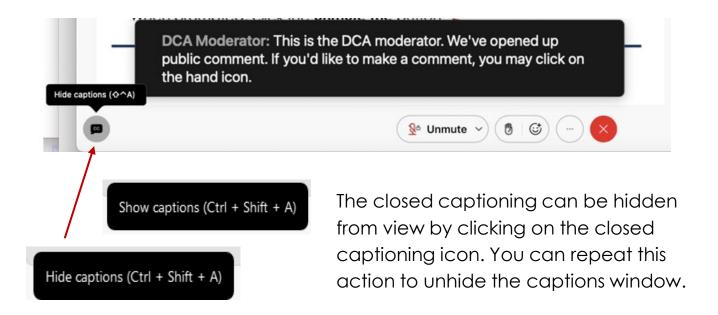
Joined via Telephone (Call-in User/Audio Only)





2. When you are finished speaking, press *6 to mute yourself again.

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You can view the closed captioning dialog box with a light or dark background or change the font size by clicking the 3 dots on the right side of the dialog box.

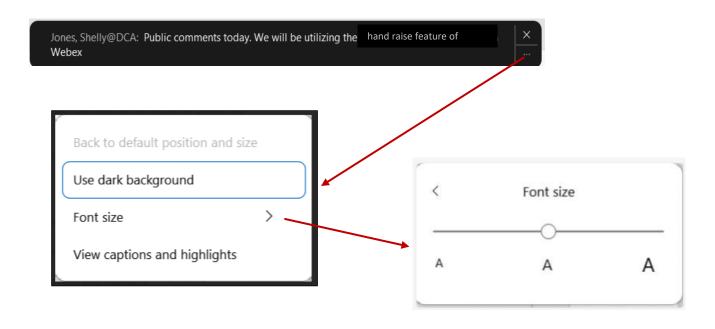


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AGENDA ITEM 4 Fiscal Update BUREAU OF HOUSEHOLD GOODS AND SERVICES

3438 - Household Goods and Services Fund, Professions and Vocations Fund Analysis of Fund Condition (Dollars in Thousands)

Prepared 04.11.2025

2025-26 Governor's Budget with FM 8 Projections									
w_CS 4.05 and 4.12 Adjustments		Actual 2023-24		C Y 2024-25		BY 2025-26		BY +1 2026-27	
BEGINNING BALANCE	\$	_	\$	_	\$	10,443	\$	7.927	
Prior Year Adjustment	\$	_	\$	_		_	\$	_	
Adjusted Beginning Balance	\$	-	\$	-	\$	10,443	\$	7,927	
REVENUES, TRANSFERS AND OTHER ADJUSTMENTS									
Revenues									
4121200 - Delinquent fees	\$	-	\$	305	\$	401	\$	401	
4127400 - Renewal fees	\$	-	\$	8,942	\$	9,620	\$	9,620	
4129200 - Other regulatory fees	\$	-	\$	215	\$	190	\$	190	
4129400 - Other regulatory licenses and permits	\$	-	\$	1,205	\$	1,240	\$	1,240	
4163000 - Income from surplus money investments	\$	-	\$	165	\$	212	\$	275	
4171400 - Escheat of unclaimed checks and warrants	\$	-	\$	22	\$	-	\$	-	
4172500 - Miscellaneous revenues	\$	-	\$	1	\$	-	\$	-	
Totals, Revenues	\$	-	\$	10,855	\$	11,663	\$	11,726	
Revenue transfer from the Household Goods and Services Fund, Professions and Vocations Fund (3438) to Motor Carriers Safety Improvement Fund (0293) per Public Utilities Code Section 5003.1	\$	-	\$	-21	\$	-21	\$	-21	
Revenue Transfer from the Electronic and Appliance Repair Fund (0325) to the Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$	-	\$	1,149	\$	-	\$	-	
Revenue transfer from the Home Furnishings and Thermal Insulation Fund (0752) to the Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$	-	\$	4,226	\$	-	\$	-	
Revenue transfer from the Household Movers Fund, Professions and Vocations Fund (3315) to the (Household Goods and Services Fund, Professions and Vocations Fund (3438)	\$	-	\$	7,107	\$	-	\$	-	
Totals, Transfers and Other Adjustments	\$	-	\$	12,461	\$	-21	\$	-21	
TOTALS, REVENUES, TRANSFERS AND OTHER ADJUSTMENTS	\$	-	\$	23,316	\$	11,642	\$	11,705	
TOTAL RESOURCES	\$	-	\$	23,316	\$	22,085	\$	19,632	
Expenditures: 1111 Department of Consumer Affairs (State Operations) Estimated Adjustments per CS 4.05 and CS 4.12 9892 Supplemental Pension Payments (State Operations) 9000 Statewide Consult Administrative Expenditures (Pag Pata) (State Operations)	\$ \$ \$	-	\$ \$ \$	11,838 - 115 920	\$ \$ \$	115	\$ \$	14,064 -629 - 1,018	
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	Φ		Φ	720	Ф	1,018	\$	1,010	
TOTALS, EXPENDITURES AND EXPENDITURE ADJUSTMENTS	\$	-	\$	12,873	\$	14,158	\$	14,453	
FUND BALANCE Reserve for economic uncertainties	\$	-	\$	10,443	\$	7,927	\$	5,179	
Months in Reserve		N/A		8.9		6.6		4.2	

NOTES:

1. Assumes workload and revenue projections are realized in BY+1 and ongoing.

2. Expenditure growth projected at 3% beginning BY+1.

Fund Condition

Background

In July 2024, as a result of the Bureau's Sunset bill (SB 814, statutes of 2023), the Bureau's three separate funds were consolidated into a single fund called the Household Goods and Services Fund. However, to ensure payment of any expenditures billed to the separate funds earlier than July 2024, 20 percent of the funds' balances were held in the three historic funds.

The combined fund condition that appears on the previous page anticipates that sometime before July 1, 2025, the Department will transfer \$12.461 million from the three separate funds to the consolidated fund (EAR: \$1.149 million; HFTI: \$4.226 million; and HHM: \$7.086 million).

After the transfers for this current fiscal year, the remaining balance in each fund is: \$1.377 EAR; \$2.578 HFTI; \$1.749 HHM, for a total of \$5.704 (these amounts do not appear in the document on the previous page). This figure could decrease if any accounts payable in arrears are deducted and the remaining balance will transfer to the consolidated fund prior to July 2026.

Fund Condition

Historically, the Bureau has experienced a reversion (i.e., money it was allowed to spend but did not) of approximately \$3 million a year; management currently estimates a reversion of \$1.5 million annually. This is due to several factors:

- Increased wages and benefits for state employees
- The Bureau's building rent will increase as part of the lease renewal
- The Bureau is using the California Attorney General's Office on a consistent basis, which charges for their time

Please note, the Bureau will conduct a fee audit in 2026 and be preparing its sunset review report for the 2027 legislative session. Depending on projected revenues and expenditures at that time, a request for a fee increase may be included as part of that process and, if granted, will not take effect until January 1, 2028.



Fund Condition

Revenue by Program

During the November 2024 Advisory Council meeting, council members asked to see revenue for each separate fund. The table below shows the most recent revenue numbers for each fund for the current fiscal year.

Revenues by Program (July 1, 2024 to February 28, 2025)

	Delinquent Fees	Other Regulatory Fees*	Licenses and Permits	Renewal Fees	Total
EAR	\$71,038	\$10,170	\$238,980	\$1,701,079	\$2,021,267
HFTI	\$90,218	\$107,300	\$593,675	\$2,745,654	\$3,536,847
HHM	\$44,231	\$49,137	\$69,500	\$2,140,002	\$2,302,870

^{*}Other regulatory fees include: Enforcement Citation and Fines, Thermal Insulation Directory Fee, Permit Transfer Fee, Quarterly Filing Fee, and Voluntary Suspension.

AGENDA ITEM 5 Business Modernization Update BUREAU OF HOUSEHOLD GOODS AND SERVICES



Background

The Bureau is currently in a multi-year effort to transition public-facing licensing transactions online and to update the back-office database systems for both licensing and enforcement. The project, known as business modernization, is a partnership among the Bureau, the Department of Consumer Affairs (DCA), and InLumon, an information technology vendor. The new system is called "Connect."

Bureau staff are working with DCA and the vendor to simultaneously refine and update the transactions that recently moved online while also continuing to move additional transactions online. To assist with this work and to accelerate progress on the project, the Bureau recently hired a full-time analyst to work solely on Connect.

Current Online Transactions

- HHM general application (June 2023)
 - Updated (February 2025)
- HHM quarterly report filing (April 2024)
 - To assist licensees in creating and linking existing accounts, as well as in filing their quarterly reports, the Bureau created a step-by-step <u>guide</u> and <u>video</u>, both of which are posted on the Bureau's website.
- HHM transfer application (September 2024)
- Change contact information (December 2024)
- Add/remove DBA information (December 2024)
- HHM interstate application (January 2025)

Completed System Updates & Maintenance

- Users can search movers by DBAs on the DCA license look-up (July 2024)
- Simplifying entry of CAL-T# when logging in to system and completing various online transactions (October 2024)
- Refined how an applicant or licensee receives information when a transaction requires correction to reduce confusion and calls to the Bureau (December 2024)
- Update Insurance and/or Bond Certificates (March 2025)
- Automatic insurance notifications for impending and expired insurance policies (expected May 2025)
- Automatic notification of impending HHM license suspension (expected May 2025)
- Automatic notification of HHM license suspension (expected May 2025)

Maintenance on Current Online Transactions

- Automatic Notifications: The Bureau is working with DCA and the vendor to setup automated notices to HHM licensees about:
 - Pending insurance coverage lapses (Target Release Date: May 2025)



- Quarterly report deadlines (Target Release Date: June 2025)
- Other notifications (Target Release Date: Summer 2025)

Online Transactions in Process

- Maintenance Applications (e.g., voluntarily suspend a permit, change an exam qualifier, cancel license, change agent of service, etc.) (Target Release Date: Summer 2025)
- Complaint Form (Target Release Date: Awaiting new Compliance Unit manager)

Future Online Transactions

The following transactions are slated for future development:

- Renewals (HFTI & EAR)
- Applications (HFTI & EAR)
- Pay a fine (all programs)
- Enforcement functionality
- Thermal insulation directory (HFTI)

Overall Project Status

On November 15, 2024, the Bureau's existing development contract for the business modernization project entered the "maintenance and operation" phase. This phase focuses on addressing deficiencies and maintaining the required software for existing online transactions.

In the coming months, the Bureau will continue its work developing online processes for EAR, HFTI, and enforcement, prioritizing EAR/HFTI renewals and will begin work on writing a new contract. As the contract is developed, staff will continue to create detailed documentation for these new online processes.

AGENDA ITEM 6

Review November 14, 2024 Advisory Council Meeting Minutes





November 14, 2024, Meeting Minutes

Bureau of Household Goods and Services (Bureau or BHGS) Advisory Council Meeting Minutes In-Person and Teleconference Meeting November 14, 2024

Bureau of Household Goods and Services 4244 South Market Court, Suite D Sacramento, CA 95834

Attendees:

Advisory Council Members: Pascal Benyamini, Public

Burt Grimes, Industry
Tom Keepers, Industry
Sara Oakley, Industry
Dan Rhodes, Industry
Toby Taylor, Industry
Steve Weitekamp, Industry

Bureau Staff: Justin Paddock, Bureau Chief

Claire Goldstene, Deputy Chief

Jacqueline Castro, Licensing Manager Kelli Williams, Administration Manager

Jacob Egger, Lab Manager Alda Aguirre, Enforcement Chief Eileen Yap, Policy Manager Joanne Van, Content Manager

Others: Korrina Moreno, DCA Board and Bureau Relations

Suzanne Balkis, DCA Budgets Ryan Harrington, DCA Budgets Shelley Ganaway, DCA Legal Affairs

Travis Moore, Counsel for the Service Contract Industry

Council

1. Welcome, Introductions, and Roll Call

Bureau Chief Justin Paddock began the meeting and took roll call. All council members were in attendance.



2. Public Comment on Items Not on the Agenda

There were no public comments.

3. Update from Board and Bureau Relations, Department of Consumer Affairs

Korrina Moreno from the Department of Consumer Affairs (DCA) Board and Bureau Relations provided an update.

Ms. Moreno announced that DCA's Diversity, Equity, and Inclusion Steering Committee met last month and elected a committee Chair and Vice Chair.

Ms. Moreno commented that DCA is updating its current Unveiling Unconscious Bias training to focus on board and council members' critical roles and how unconscious bias can affect one's decision-making authority. The training will be self-paced and available on DCA's online Learning Management System (LMS) in early 2025. Council members must take unconscious bias training annually.

Ms. Moreno also reported that DCA is hosting a second live webinar on November 21, 2024, to share information about military licensing resources; that effective October 2024, DCA will use federal standard meals and incidental expense rates for travel; that DCA held its third annual turkey drive, with donations benefitting a Sacramento-area food bank; and that the Our Promise: California State Employees Charitable Campaign dates are October through December, where state employees and council members can support nonprofit causes they are passionate about through payroll deductions or one-time donations.

4. Fiscal Update

a. Review and Discussion of Proposed Bureau Budget Reductions

DCA Budget Analyst Ryan Harrington announced that the Bureau projects \$11.2 million in revenue and \$13.5 million in expenditures for the 2024-25 fiscal year and that the fund balance is currently \$12.7 million, which equates to about 10.1 months in reserve. He emphasized that the fund condition is based on current data and is subject to change.

Mr. Harrington noted that the main driver of future expenditure increases will be personnel-related costs, such as salary increases, employee compensation, and retirement adjustments. Additionally, increased enforcement costs or unforeseen events, including future legislation, could put additional pressure on the Bureau's funds.

Chief Paddock mentioned that since the new fund has only been in place for five months, no historical data is available yet, but he plans to present this data at the



November 14, 2024, Meeting Minutes

next council meeting and in the future. He was cautious about the Bureau's budget, assuming flat revenues and rising expenditures. However, he was surprised by better-than-expected performance in the fiscal month three revenue report. He also noted that \$15 million was transferred into the new fund, with the three historic funds set to be closed in 2026. Additionally, Chief Paddock expects a \$1.5 million reversion due to salary increases and increased staffing.

Lastly, Chief Paddock noted that the Bureau will write its Sunset Review Report in 2026 and present it to the legislature in 2027. He is expecting nine months in reserve at that point and that the Bureau will need to address a structural deficit.

<u>Council Member Comment:</u> Mr. Weitekamp said he understands the accounting challenges of the expenditure issues, but that he would like to see more of a breakdown among the different programs for revenue and within that a further breakdown of application fees, renewals, and delinquent fees.

Chief Paddock noted that he would need to speak with the DCA Budget office to see if they can add this information to the report and noted that reporting the interstate mover's revenue could be tricky.

<u>Council Member Comment:</u> Mr. Keepers commented that he agreed with the proposal to break out the categories and would work with the Bureau if he needed further information.

5. Review and Discussion of Update to 2022-26 BHGS Strategic Plan

Chief Paddock reported that all state agencies, including DCA, were asked to review and update their policies, documents, and procedures to consider the principles of diversity, equity, and inclusion.

Chief Paddock noted that BHGS completed an environmental scan last spring and summer, which was sent to council members, staff, and stakeholders. Eighty-three responses were received. The three takeaways from the responses were that, 1) the Bureau should continue to seek feedback from outside sources on various Bureau activities; 2) the Bureau should make its services accessible online to all types of community groups; and 3) that the Bureau should continue to expand its outreach.

Chief Paddock reported that Bureau staff met with the DCA SOLID team in October 2024 to review the Strategic Plan and to identify areas requiring updated language to ensure alignment with Bureau policy. The next step is to finalize the changes with SOLID and submit them to the DCA Director for review before the Thanksgiving break. Chief Paddock expects the updated plan to be published on the website early next year.



<u>Council Member Comment:</u> Mr. Keepers complimented the Bureau on reducing the vacancy rate.

Chief Paddock thanked Mr. Keepers and noted the hard work of Bureau staff for making that possible.

6. Business Modernization Update

Deputy Chief Claire Goldstene reported that the online DCA license lookup had been updated to allow a Doing Business As (DBA) search and that additional license status information could now be seen. She also reported that updates were made to the Connect registration page to allow easier entry of licensee CAL-T numbers regardless of the format used, which remedied the most frequent complaint from licensees trying to register.

Ms. Goldstene reported that the Household Movers Quarterly Report is now fully online, leading to a significant increase in online filings and a reduction in office workload. She also mentioned that the Household Movers Transfer Application is online and that there are plans to apply similar improvements to the initial application.

Ms. Goldstene said the Bureau is close to allowing licensees to change their contact information and add or delete a DBA online. Additional license maintenance features, like automatic notifications, the ability to cancel licenses, changing exam qualifiers, updating insurance information, and more are also being worked on. Ms. Goldstene stated that the top priority before the end of the year is to get the new Interstate Movers license application online to meet the legal mandate.

Ms. Goldstene also shared that the current Connect contract ends November 15th, and that the Bureau will move to the maintenance and operations phase. In the coming months, the Bureau will internally develop all aspects of the online processes for Electronic and Appliance Repair (EAR) and Home Furnishing and Thermal Insulation (HFTI) applications and renewals, online payment of fines, thermal insulation directory fees, and other enforcement elements. Lastly she noted that Bureau is using this as an opportunity to improve the process for applicants, licensees, and staff, and the Bureau will use the detailed analysis to form the next contract for the 2025-26 fiscal year.

<u>Council Member Comment</u>: Mr. Weitekamp asked if the Bureau switched costs to applicants for the livescan fingerprints and the exam for household mover applicants.



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Chief Paddock replied that the Bureau attempted to transfer costs to the applicants through its Sunset report, but it was not included in the bill. The Bureau will try again with the next Sunset report because it requires a statutory change.

Mr. Weitekamp shared his concerns about how the new interstate mover license information will appear to the public and how it will be differentiated from intrastate movers. Chief Paddock replied that the Bureau is working on disclaimers to list what each license is authorized to do. Deputy Chief Goldstene also replied that the Bureau has had many conversations with the Connect team about the computer screen layout, the language used, and is committed to making the language understandable to the consumer. She also noted that this will be part of the Bureau's public outreach.

<u>Council Member Comment:</u> Mr. Grimes asked when applications and renewals for other Bureau programs will be online.

Deputy Chief Goldstene answered that the Bureau will have to enter into a new contract with the vendor, which she expects will go into effect July 1, 2025, after which the process will begin to build that new content. Ms. Goldstene said it would likely be several months after the content was created before the Bureau would have anything online and that the initial focus would likely be the renewal process.

Chief Paddock explained that updating business information will be the next priority after completing the renewals. He anticipates these updates will be ready by the end of 2025. The delays are due to the Bureau's focus on ensuring everything is done correctly. Deputy Chief Goldstene added that the Bureau learned a great deal from the putting the household mover application online, which will make the transition on the HFTI side smoother and faster.

7. Discussion of Service Contract Regulations

Chief Paddock introduced Tom Keepers as the Service Contract Industry Council (SCIC) president and Travis Moore as the Counsel. He added that before writing the Sunset report for 2026, the Bureau would like to spend 2025 doing research to make potential changes in laws and regulations regarding how the Bureau regulates the service contract industry.

Mr. Keepers began his presentation by providing background on the service contract industry, products, and the types of companies they work with. He then explained how service contracts differ from warranties or insurance.

Chief Paddock noted that home service contracts exist in a legal gray area in California due to the state's civil code, making it unclear in some instances which agency regulates them. He also mentioned that the Bureau and the Department of Insurance collaborate on matters related to home service contracts.



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Mr. Keepers discussed current statistics regarding consumer views on service contracts and added that research should be conducted on Bureau consumer complaints related to service contracts.

Mr. Keepers reviewed general regulatory schemes, including registration, financial assurance, disclosure requirements, and enforcement. He added that the SCIC ensures that there is express authority, certainty for membership, and consistency in offering the products across different states. Mr. Keepers noted that uniformity of laws and regulations across the states is very helpful in driving efficiencies. Mr. Moore reiterated that there is not a uniform approach within this industry across the states. He added that financial assurance is the cornerstone of the contracts.

Mr. Keepers said that California is unique and that the line between home service contracts and consumer goods is blurry. Mr. Moore added that there are blurry lines in other states as well.

Chief Paddock said there have been several instances of retailers providing outdated service contract agreements without the knowledge of the service contract administrators, which has been a concern at the Bureau. He noted that the Bureau is contemplating more transparency with the license look-up to help consumers.

Chief Paddock continued that bundling various products was another concern and that the Bureau hopes to have a proposed resolution about this issue as part of the next Sunset report. Chief Paddock also said clarification is needed regarding what a consumer is entitled to during a repair or replacement process.

<u>Council Member Comment:</u> Mr. Keepers noted that he is unsure about the implications and unintended consequences of providing more transparency through the license look-up, though he understands and supports the objective.

Mr. Moore added that if consumer goods service contracts and home service contracts remain regulated by two separate entities he does not think making lists of appliances or goods that belong to the specific categories is the right approach.

Chief Paddock thanked Mr. Keepers and Mr. Moore for their time.

8. Review May 16, 2024, Advisory Council Meeting Minutes

There were no comments regarding the meeting minutes, however Mr. Weitekamp had comments regarding the business modernization project (agenda item #6).

<u>Council Member Comment:</u> Mr. Weitekamp commented that the license information that migrated from the old household mover database now shows outdated license information on the DCA license look-up, which is confusing to



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consumers. He noted that the statute of limitations is nine months and asked that records older than a year (e.g., inactive, or canceled permits) be removed from public view.

Chief Paddock said he believed that the statute of limitations is two years, but will confirm that information. Mr. Weitekamp said that understands about the statute of limitations timeframe, but that some information that now appears is 10-20 years old.

9. Administrative Program Update

Kelli Williams, Administration Manager, began her presentation by noting that she would focus on Bureau staffing, the Bureau's top priority.

She reported that since 2018, Bureau staffing has increased by 44 percent, from 48 to 69 positions, and the Bureau's vacancy rate is now 8 percent. She recognized Personnel Liaison Marie Gouthier for her hard work helping to hire and onboard staff. Since the May 2024 Advisory Council meeting, she noted that the Bureau had filled 12 positions and that two staff members had accepted promotional opportunities outside the Bureau.

Ms. Williams also mentioned that the Bureau held an all-day New Employee Orientation and team-building event attended by over 20 newer staff members.

<u>Council Member Comment:</u> Ms. Oakley commented that the staffing increase is challenging and remarkable.

<u>Council Member Comment:</u> Mr. Keepers commented that he appreciated Ms. Williams' efforts and was curious how the vacancy rate compares to other peer agencies.

Chief Paddock replied that the Bureau is doing far better than many peer departments within DCA and that two other agencies outside DCA hover around 15 percent.

<u>Council Member Comment:</u> Mr. Grimes asked how long the hiring/budget freeze will last.

Chief Paddock clarified that there was no mandated hiring freeze but, rather, that this was the Bureau's decision. As a cost savings measure the Bureau paused hiring while it monitored the budget. Deputy Chief Goldstene added that the eliminated positions were vacant and that there were no layoffs or furloughs.



10. Licensing Program Update

Licensing Manager Jacqueline Castro started her presentation by reviewing Electronic and Appliance Repair (EAR) data. Ms. Castro reported a small increase in the total of active registrations for the quarter ending September 2024 due to an increase in service contract seller registrations. She also noted a slight decrease in most license types across the Home Furnishings and Thermal Insulation (HFTI) program.

Within the Household Movers (HHM) division, Ms. Castro reported a gradual increase in new permits. She said the licensing unit has become well-versed in Connect, which allows them to navigate system issues more easily and efficiently.

Mr. Castro continued that 50 HHM exams were administered in September 2024, and that the overall average exam pass rate remains 92 percent. She also reported that the Bureau has issued 136 HHM licenses via the Connect system and that quarterly report revenue continues to rise. However, due to the transition to the new Connect system, there were delays in receiving and processing quarterly report payments. As a result, revenue for the quarter ending March 31, 2024, was unusually low, while the quarter ending June 30, 2024, saw higher revenue. She also noted an increase in online quarterly report submissions.

Ms. Castro explained that Licensing continues to decrease the time it takes to process incoming work.

Ms. Castro announced that the Bureau is developing a new Interstate Household Movers application, effective January 1, 2025.

Lastly, Ms. Castro reported that the Bureau held a webinar on October 11, 2024, to review the process for filing an online HHM quarterly report via Connect and the process to register and create an account. She said that the webcast is available on the Bureau website. Ms. Castro thanked HHM Analyst Laveenia Peavy for her excellent presentation; Content Manager Joanne Van for her assistance; and all HHM staff for their support with Connect.

<u>Council Member Comment:</u> Mr. Weitekamp congratulated Ms. Castro and the Licensing staff on the weeks-to-process timeframe and noted it was a significant improvement. He also asked if there had been any changes to the HHM test.

Ms. Castro answered that there have been no changes.

11. Laboratory Update

Laboratory Manager Jacob Egger started by noting the Laboratory's Thermal Insulation division successfully passed the National Voluntary Laboratory Accreditation Program's (NVLAP) onsite accreditation in October 2024. The Lab



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has made numerous improvements over the past year while remaining compliant with the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC) 17025:2015 standard. Mr. Egger thanked the laboratory team for making this accreditation cycle so easy.

Mr. Egger continued that Policy, Enforcement, Compliance, and the Lab have collaborated on enforcement and compliance efforts to address laboratory failures, which will help with industry compliance and consumer safety.

Mr. Egger announced that Bureau staff are working on proposed updates to the HFTI regulations and thanked Policy Manager Eileen Yap for her work in improving the regulations' flow and breaking apart the different sections for label types and definitions.

Mr. Egger stated that all Thermal Insulation Directory changes were due November 15, 2024, and that all Directory and licensing fees are due December 15, 2024. If manufacturers are out of compliance they will be removed from the directory and unable to sell in California.

<u>Council Member Comment:</u> Mr. Grimes asked how long the testing and manufacturer notification process takes.

Mr. Egger said it varied, but generally around three to six months; he hopes to reduce the timeline to one to two months. Mr. Egger noted that in past years, the process took one to two years.

<u>Council Member Comment:</u> Mr. Grimes expressed concern that non-compliant products can continue to be sold for three to six months and asked if there was a way to reduce the timeframe or prioritize testing products with obvious issues or concerns.

Mr. Egger answered that labels frequently have obvious issues, and that Special Investigators directly cite the businesses so that the products cannot be sold. He reiterated that he hopes to further reduce the timeframe for testing but also noted that the Lab is working on multiple projects and staff are currently filling multiple roles.

Chief Paddock added that in the upcoming Sunset report the Bureau will again seek authority to red tag products statewide when there is an issue, which would look more like a recall on the federal level.

<u>Council Member Comment</u>: Mr. Benyamini asked if a recall would be for furniture that is deemed unsafe or for minor violations.



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Chief Paddock answered that he expects recalls would involve serious violations, such as health concerns. Mr. Egger added that the Lab considers sample test failures a high priority.

Mr. Egger reviewed the Lab statistics and noted that the mattress failure rate is hovering around 39 percent and is a concern. The Lab has continued to meet with the Consumer Product Safety Commission (CPSC) to discuss trends, manufacturer compliance, and how to address failing businesses. With the implementation of Assembly Bill 1059 in January 2027, which bans fiberglass, the Bureau expects mattress failure rates will increase.

Mr. Egger said that the Bureau considers consumer and industry complaints and emerging trends when determining which products to test. He also reported that mattress testing is temporarily paused because of aging equipment and difficulty getting parts, and said that the Bureau is exploring options to completely replace the burn room.

He noted that about 30 percent of thermal insulation samples are failing, mostly from R-value results, and that bedding has a 57 percent pass rate. He added that the Lab is finalizing guidance for the finished bedding size and net weight measurement technical bulletins and hopes to have these posted to the Bureau website by the end of December 2024.

Mr. Egger reviewed statistics for flame-retardant chemical labeling and testing, noting that most manufacturers check the box on the label stating that their product contains no flame-retardant chemicals. He added that flame retardant chemical testing is expensive and that the Lab is working to streamline the process.

Lastly, Mr. Egger noted concerns related to labeling. While the updated HFTI regulations should help with compliance for some of the minor issues, they will not address issues involved with major or moderate violations. Once the updated regulations are approved the Laboratory staff will create an all-encompassing FAQs for all lab topics.

<u>Council Member Comment</u>: Mr. Benyamini thanked Mr. Egger for the presentation and very helpful information.

12. Enforcement Program Update

- a. Interstate Household Mover Investigations and Citations
- b. Review of Citation and Disciplinary Actions for Website

Enforcement Chief Alda Aguirre began her update on the Enforcement program with an overview of the four units.



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She remarked that the Bureau made several referrals to the attorney general in June and August 2024 and revoked an Electronic and Appliance Repair (EAR) license in June 2024.

Ms. Aguirre said the Bureau Enforcement program has continued its cooperation with other state and local agency partners, including multiple task forces. Bureau staff continue collaborating with the California Highway Patrol to share information and discuss household movers inspection strategies. Additionally, staff meet with the Federal Motor Carrier Safety Administration (FMCSA) regularly and developed procedures to address interstate moves and federal violations. The Bureau issued its first federal citation earlier this month, which resulted in a \$37,400 fine.

Ms. Aguirre noted that the Bureau conducted multiple sweep operations, including one business that opened multiple locations in California without registering or obtaining licenses. This resulted in 15 citations and multiple requests for licenses to become compliant. She added that a Household Mover sting was led by Supervising Special Investigators Travis Cook and Raleigh Jacobe in coordination with the DCA Division of Investigations and the Ventura District Attorney's office in Ventura, on November 7, 2025.

Ms. Aguirre reported that the Bureau sent 58 cease letters to businesses between April and September 2024, notifying them that Bureau licenses are required and providing them with information on how to become licensed. She also reported that the Bureau initiated its collections program in October 2024 by sending several notices for unpaid citation fines to businesses before referring them to the Franchise Tax Board or DCA Collections.

Ms. Aguirre noted that in providing assistance to resolve complaints between consumers and businesses, Bureau staff realized \$52,747 in savings to the public between April 1, 2024 and September 30, 2024.

The Citation and Disciplinary Actions and License Search pages on the Bureau's website are being reorganized and streamlined to be clearer and easier for consumers to use.

<u>Council Member Comment:</u> Mr. Weitekamp expressed concern about linking enforcement actions to licensing directly, and asked the Bureau to consider the ratio of violations versus size of company and number of moves.

Ms. Aguirre replied that the Bureau does take those things into consideration and that the Bureau provides education through outreach and meeting with the businesses to discuss complaints and resolution.

Mr. Weitekamp thanked Ms. Aguirre for her efforts and applauded her for the sting operations.



<u>Council Member Comment:</u> Ms. Oakley said the sting operations are fantastic and asked how the leads were sourced.

Enforcement Chief Aguirre shared that when the Bureau finds a mover, the first attempt is to contact them. If that company avoids the Bureau or does not cooperate, they go to the top of the Bureau's list for the sting. When scheduling stings, the Bureau looks for businesses that consumers can access through online advertisements, word of mouth, etc., and keeps a list of those businesses.

<u>Council Member Comment:</u> Mr. Keepers congratulated Enforcement Chief Aguirre on the website enhancements. He added that he thought it would be helpful to articulate with more precision the various EAR businesses, such as administrators, sellers, or service dealers, to protect the brand reputation of a particular part of the industry and to better identify the source of the complaints the Bureau receives.

Chief Paddock replied that he understood but also noted that complaints can take months to research and determine who did something wrong. Ms. Aguirre added that there are crossover issues, as some businesses have multiple types of businesses, which complicates the process.

Mr. Keepers thanked Ms. Aguirre for her efforts.

13. Communications and Education Update

Content Manager Joanne Van provided an update on the Bureau's outreach events, publications, website improvements, social media updates, and overall communication efforts with the public.

She provided information on public outreach efforts and tools added to the Bureau website, such as a video providing an overview of the Bureau; a publication with consumer tips for navigating service contract transactions; instructions for registering for a Connect account; instructions for filing a quarterly report online; and an industry advisory on The Right to Repair Act. She reported that a video with consumer tips for hiring a household mover was in the final editing stages.

Ms. Van reported that the Bureau continues to post weekly on social media in both English and Spanish. Topics posted ranged from week to week, and the Bureau tries to reach all audience types under each of the Bureau's regulated industries.



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She discussed efforts to redevelop the Bureau's website to make it easier to find essential information while maintaining ADA compliant. An upgraded online complaint form was posted to the website, and she reported that the Citations and Disciplinary Actions webpage was being redesigned. These efforts are part of a larger project to refresh the Bureau website as a whole.

Ms. Van reported that the Bureau participated in twelve outreach events between June and October 2024, and thanked Analyst Laveenia Peavy, who hosted a household movers webinar on how to use the Connect system. She also recognized multiple staff members for their participation in outreach events.

Lastly, Ms. Van noted that the Bureau continues to prioritize strong internal communications to promote a transparent and collaborative workplace. This includes distributing a monthly newsletter to update staff on Bureau matters and a survey to collect staff feedback on what the Bureau can do better and how.

<u>Council Member Comment:</u> Mr. Keepers asked what kind of metrics the Bureau is tracking for social and web activity.

Ms. Van answered that the Bureau is currently tracking follower counts. Deputy Chief Goldstene added that the Bureau has only recently started posting more regularly since Ms. Van started and the Bureau will start collecting more statistical information (such as the number of video views) going forward.

<u>Council Member Comment:</u> Mr. Grimes asked if the Bureau can start communicating with the licensees regarding current topics and Bureau activity.

Chief Paddock mentioned that the Bureau has not had extensive discussions about an outward-facing newsletter since a significant amount of Ms. Van's time will be dedicated to the BHGS website overhaul, but that an industry newsletter could be considered a longer-term priority.

Deputy Chief Goldstene stated that the Bureau focuses on balancing messages for consumers, applicants, and licensees through social media posts. There has been a good deal of activity related to Household Movers due to the Connect updates, but once these updates are completed the Bureau will shift to more content related to EAR/HFTI.

14. Legislative and Policy Updates

- a. Household Movers Enforcement Regulation Update
- b. Upholstered Furniture and Bedding Law Label Regulatory Proposal
- c. SB 1451 (2023-24): Ashby: Professions and Vocations



d. AB 2210 (2023-24): Petrie-Norris: Driving Under the Influence: Ignition Interlock Devices

Policy Manager Eileen Yap provided an update on the Household Movers enforcement regulations. Ms. Yap stated that the proposed regulations were published on October 10, 2024, and are posted on the Bureau's website. She noted that the Bureau is currently in the next phase of the rulemaking process for these regulations, which is the comment period and which ends on November 25, 2024. She said the regulations may be approved by early next year and become effective in April 2025.

Ms. Yap also provided an update on the proposed Upholstered Furniture and Bedding Law Label regulations. The Bureau included a draft of the proposed regulations in the meeting materials for the last Advisory Council in May 2024 and also shared the draft at the IABFLO conference in April 2024. Ms. Yap stated that the Bureau received feedback from Advisory Council members Burt Grimes and Pascal Benyamini, as well as other industry members and state regulators. The Bureau used the feedback to make additional changes and sent a revised draft to the Bureau's regulatory counsel at DCA in September 2024. Ms. Yap said the Bureau is reviewing Counsel's feedback and expects to make additional changes to the draft.

Ms. Yap discussed SB 1451, which clarifies the Bureau's authority to license interstate household movers. The Bureau is in the process of implementing the legislation and, specifically, the new Interstate Household Movers license application. She stated that SB 1451 removes barriers that prevented the Bureau from exercising its authority to license Interstate Household Movers by waiving residency requirements for Interstate Household Movers and requiring applicants who only conduct interstate moves to submit an affidavit to the Bureau stating they will not conduct intrastate moves in California. Ms. Yap noted that SB 1451 becomes effective on January 1, 2025.

Ms. Yap also provided an update on AB 2210, which would have established a pilot program authorizing DMV to require courts in certain counties to order the installation of a certified ignition interlock device following a DUI conviction. The bill did not move forward.

Ms. Yap also reported that the Bureau plans to draft updates to the Household Movers Licensing regulations this winter and may have a draft for review and feedback early next year. The proposed regulations will clarify and establish licensing requirements for Household Movers.



15. Set 2025 Advisory Council Meeting Dates

The Advisory Council meeting dates for 2025 are: May 8 and October 16.

<u>Council Member Comment:</u> Mr. Benyamini noted that he may have a previous engagement on May 8, but will coordinate with Chief Paddock if he cannot attend. Ms. Oakley noted that she has a previous engagement in October but should be able to attend the meeting remotely.

16. Future Agenda Items

No future agenda items were suggested.

17. Adjournment

Chief Paddock adjourned the meeting at 1:15 p.m.

AGENDA ITEM 7 Administrative Program Update BUREAU OF HOUSEHOLD GOODS AND SERVICES

Administration

The Administration Unit is responsible for personnel management, which includes recruitment and hiring, on/off-boarding staff, and assisting Bureau staff in resolving pay and benefits issues. In addition, the unit handles contract administration and procurement, as well as asset management. It also provides support for the Executive Office, covers the reception area, responds to Public Records Act requests, and coordinates record management for the Bureau. Lastly, the unit oversees building facilities requests and provides training and travel liaison assistance for staff.

Bureau Staffing

Hiring is a top priority for the Administration unit and management. The chart below shows BHGS staffing levels.

Unit	# of Staff Allocated	# of Vacancies*	Job Classifications
Executive	4	2	Bureau Chief, Chief of Licensing & Admin.
Licensing	10	0	
Policy	3	0	
Compliance	12	7**	Analysts
Case Management	3	0	
Investigations- NorCal	11	1	Special Investigator
Investigations- SoCal	9	1	Special Investigators
Administration	6	1	Office Technician
Laboratory	11	3	Textile Technicians
TOTAL	69	15	

^{*} Some positions are on hold due to Department of Finance mandated budget expenditure freeze.

Hiring October 2024 – April 2025

Month	Unit	Classification
Dec. 2024	Executive	Deputy Chief: Staff Services Manager II promoted to BHGS Deputy Chief
March 2025	Policy	Analyst: Compliance Unit Lead Analyst is now the BHGS Connect Development Analyst
April 2025	Compliance	Staff Services Manager I: Compliance Analyst promoted to Compliance Manager

^{**} Waiting to fill vacancies until new unit manager in place.



Staff Attrition

Time Period	Percentage	# of Staff	Reasons
July 2024 – Sept. 2024	3% attrition	2	2 promotions to other state agencies
Oct. 2024 – April 2025	10% attrition	8	1 retirement1 lateral transfer within DCA2 promotions to other state agencies4 separations from state service

Telework

The Bureau recognizes that telework is vital for employee recruitment and retention. Managers closely monitor productivity to ensure telework does not interfere with work completion. In accordance with Governor Newsom's executive order, office-based staff will work from the office at least four days per week starting July 1, 2025. Field staff, such as Special Investigators, are designated as Home-as-Headquarters and will continue to work from their home office.

Contracts and Purchasing

Contracts and i dichasing									
Contracts									
Burn room contract in DCA Business Service Office review process with estimated completion in fiscal year 2024-25									
Consolidated lab accreditation contract executed with A2LA									

Staff Engagement

In January 2025, the entire Bureau attended an in-person staff meeting, which was followed by a Bureau-wide potluck. The Bureau also held a breakfast potluck in February 2025 and a Saint Patrick's Day potluck in March 2025. The next all-staff meeting will be a hybrid meeting followed by a potluck in June.

AGENDA ITEM 8

Licensing Program Update

a. Implementation of Interstate Mover Application





The Licensing Unit oversees four distinct areas: Electronic and Appliance Repair, Home Furnishings and Thermal Insulation, Service Contracts, and Household Movers. Licensing works daily with applicants and licensees who have questions about their application and/or license fees via phone and email. Licensing staff review applications and determine if any requirements have not been met. In addition, Licensing also processes renewals, household mover quarterly reports, address/business/owner changes, delinquencies, license histories/certifications, and reviews new service contract agreement language.

The HHM interstate mover only application (SB 1451: Ashby, 2024) was launched January 2025. This license is required for those who move household goods only into or out of California. Those who move household goods entirely within California or who conduct intra- and interstate moves must complete a General Household Mover application. Interstate only license requirements include identifying an agent of process in California, registering with the Federal Motor Carrier Safety Administration, and filing quarterly gross operating revenue reports.

	Electronic and Appliance Repair Registrations												
Quarter Ending	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	3/31 2025	Average				
Appliance Svc Dealers	2,696	2,722	2,748	2,812	2,834	2,838	2,852	2,925	2,803				
Electronic Svc Dealers	3,151	3,113	3,056	3,001	2,924	2,925	2,898	2,896	2,996				
Combination Electronic/Appliance Svc Dealers	260	258	262	257	256	248	248	227	252				
Service Contract Administrators	80	80	80	81	80	80	80	99	83				
Service Contract Sellers	11,489	11,806	12,884	12,621	12,628	13,071	13,686	13,474	12,707				
Total Active EAR Registrations	17,676	17,979	19,030	18,772	18,722	19,162	19,764	19,621	18,841				







	Home F	urnishin	gs and T	Thermal	Insulation	on Licen	ses		
Quarter Ending	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	03/31 2025	Average
Furniture Retailers	1,879	1,830	1,826	1,822	1,815	1,755	1,739	1,733	1,800
Bedding Retailers	1,964	1,985	1,976	1,965	1,946	1,872	2,047	2,062	1,977
Furniture and Bedding Retailers	10,310	10,219	10,214	10,063	9,959	10,029	9,940	9,945	10,085
Custom Upholsterers	397	392	386	368	366	361	352	347	371
Supply Dealers	91	89	90	87	87	82	80	50	82
Importers (includes overseas Manufacturers)	5,894	5,843	5,802	5,782	5,780	5,816	5,779	5,828	5,816
Manufacturers	1,323	1,309	1,290	1,270	1,268	1,255	1,233	1,227	1,272
Sanitizers	31	31	31	31	32	32	31	30	31
Wholesalers	147	148	148	146	143	144	138	137	144
Thermal Insulation Manufacturers	93	95	99	103	101	98	104	102	99
Total Active HFTI Licenses	22,129	21,941	21,862	21,637	21,497	21,444	21,443	21,461	21,677

Licensing Statistics

Household Movers Permits												
Quarter Ending	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	3/31 2025	Average			
New Permits Issued	42	16	22	21	32	43	35	23	29			
Exams Administered	37	36	32	40	42	50	45	35	40			
Exam Pass Rate	92%	94%	93%	90%	93%	86%	73%	86%	88%			
Total Active HHM Permits	1,090	1,051	1,137	1,163	1,189	1,237	1,259	1,270	1,171			

	Household Movers Quarterly Revenue Report												
Quarter Ending	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	3/31 2025	Average				
Quarterly Reports Received	1,039	1,205	1,028	543	1,373	1,089	1,192	1,082	1,069				
Gross Revenue	\$690,021	\$921,955	\$857,179	\$363,654	\$984,061	\$817,669	\$939,308	\$685,744	\$782,449				
Admin Fees	\$10,390	\$12,050	\$10,280	\$5,420	\$13,720	\$10,820	\$11,690	\$10,740	\$10,639				
CHP Fees	\$5,195	\$6,025	\$5,140	\$2,710	\$6,860	\$5,410	\$5,845	\$5,370	\$5,319				
Net Revenue	\$674,436	\$903,880	\$841,759	\$355,524*	\$963,481	\$801,439	\$921,773	\$669,634**	\$766,491				

^{*}Because of the transition to Connect and online submission of quarterly reports there were some delays in receiving and cashiering payments. As a result, the revenue collected in the quarter ending March 31, 2024 was unusually low and the revenue collected in the quarter ending June 30, 2024 was unusually high.

^{**}Revenue collected for the quarter ending March 31, 2025 is low because there remains an outstanding number of 2024 Quarter 4 reports that have not been submitted.



Weeks-to-Process

The chart below provides the "weeks-to-process" for EAR and HFTI applications and renewals, service contract administrator applications, HHM applications (general, transfer, and interstate), quarterly reports, verification of insurance policies, and maintenance forms received each month. "Weeks-to-process" refers to the average number of weeks before an application or document is initially processed by a licensing technician/analyst after it is received at the Bureau.

Weeks-to-Process	Conversion Chart
1 day	0.1
2 days	0.3
3 days	0.4
4 days	0.6
5 days	0.7
6 days	0.9
7 days	1.0

	BHGS Licensing Statistics Calendar Year 2024 Weeks-to-Process											
2024	Mar*	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
EAR Initial Apps	4.0	4.3	4.0	2.1	3.2	3.7	1.0	1.2	1.3	1.5		
EAR Renewals	3.1	4.1	3.4	1.9	3.3	2.6	0.7	0.7	0.0	0.2		
HFTI Initial Apps	3.9	4.3	3.3	4.6	2.1	2.3	1.6	1.8	1.2	1.4		
HFTI Renewals	3.9	4.1	4.4	3.4	2.7	3.3	0.4	0.5	0.1	0.1		
EAR Service Contract Administrators	4.1	4.2	3.1	1.0	2.1	4.1	3.4	1.1	1.5	4.9		
HHM Initial Apps	3.0	7.6	2.6	1.0	1.0	2.1	0.8	0.9	0.9	0.1		
HHM Quarterly Reports	6.6	1.0	2.6	0.7	1.1	0.0**	0.1	0.0**	0.0**	0.0**		
HHM Certificate of Insurance Documents	0.1	4.1	2.4	3.4	1.7	1.4	0.4	0.3	0.5	0.7		

^{*}Statistical reporting began March 11, 2024.

^{**}As an increased number of licensees transition to online submission of quarterly reports, which are automatically processed, there are no or minimal processing times to report.



	S Licensing ear 2025 W	_	ocess
2025	Jan	Feb	Mar
EAR Initial Apps	0.7	1.2	1.2
EAR Renewals	0.1	0.3	0.1
HFTI Initial Apps	0.6	1.1	1.3
HFTI Renewals	0.6	0.0	0.1
EAR Service Contract Administrators	4.1	3.5	1.2
HHM General Apps	0.8	0.5	0.1
HHM Transfer Apps*	0.0	0.5	0.8
HHM Interstate Apps**	0.0	0.0	0.3
HHM Quarterly Reports	0.4	0.0**	0.0**
HHM Certificate of Insurance Documents	0.9	1.3	1.8
HHM Maintenance Forms***	0.4	0.6	1.1

^{*}The Bureau did not start collecting weekly stats for the transfer application until Jan 2025.

^{**}The HHM Interstate application was launched January 1, 2025.

^{***}HHM Maintenance forms include: update contact information and change/add/remove DBA (implemented December 2024), and update insurance and/or bond certificates (implemented March 2025).

AGENDA ITEM 9 Laboratory Update BUREAU OF HOUSEHOLD GOODS AND SERVICES

Laboratory Statistics

The Bureau Laboratory conducts testing to ensure that manufacturers comply with all BHGS laws and regulations for the Household Furnishings and Thermal Insulation program. Lab staff conduct physical breakdowns, chemical analyses, and flammability tests of insulation materials, upholstered furniture, bedding products, and mattresses. Following analysis, the resulting scientific reports are used to support the Bureau's enforcement efforts.

Technical Bulletin 117-2013

Technical Bulletin 117-2013 is California's smolder resistance test for filling materials used in upholstered furniture. This standard is intended to produce upholstered furniture with a reduced risk of smoldering. The standard provides methods for smolder resistance of cover fabrics, barrier materials, resilient filling materials, and decking materials used in upholstered furniture.

The table below shows TB 117-2013 testing results from April 1, 2023, to March 31, 2025. Failures are rare, and overall, manufacturers' products meet California's smoldering standards. During the quarter ending September 30, 2024, Lab staff shifted focus from furniture and bedding to thermal insulation to prepare for thermal insulation accreditation. The laboratory's focus continued to be with thermal insulation all throughout the quarter ending March 31, 2025. April 1, 2025 the laboratory's focus has shifted back towards upholstered furniture. This will be reflected in the next 2025 advisory council meeting.

TB 117-2013 – Smoldering Test of Upholstered Furniture										
Results				Quar	ter Endinç)			Overall	
11000.110									Results	
Pass	12	9	11	10	13	3	2	5	65	
Fail	0	0	0	0	0	0	0	0	0	
Total tested	15	9	11	10	13	3	2	5	65	
Pass rate	100%	100%	100%	100%	100%	100%	100%	100%	100%	

^{*}There were three inconclusive samples in the quarter that ended 6/30/2023. The follow-up samples needed for additional testing information are included in the total tested, but their results are not counted in the pass/fail rate.

HOUSEHOLD GOODS AND SERVICES

16 Code of Federal Regulations (CFR) 1633

16 CFR 1633 is the U.S. Consumer Product Safety Commission's standard for the flammability (open flame) of mattress sets. Part 1633 establishes flammability requirements that all mattress sets must meet before sale or introduction into commerce. The standard intends to reduce deaths and injuries associated with mattress fires by limiting the size of the fire generated by a mattress set during a thirty-minute test.

Overall, mattress failures are becoming more prevalent; over the past two years, 32 percent of mattresses tested have failed 16 CFR 1633. Further, we anticipate an increase in failures following the implementation in 2027 of Assembly Bill 1059, which will ban fiberglass in all mattresses. The Lab has been unable to test mattresses over the last four quarters due to difficulties with vendors supplying equipment for the fullscale burn room. The lab expects to purchase the new 16 CFR 1633 equipment by the end of the current fiscal year.

16 CFR 1633 – Flammability (Open Flame) Test of Mattress Sets										
Results		Quarter Ending								
	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	Results	
Pass	4	7	5	3	0	0	0	0	19	
Fail	1	6	0	2	0	0	0	0	9	
Total tested	5	13	5	5	0	0	0	0	28	
Pass rate	80%	54%	100%	60%	N/A	N/A	N/A	N/A	68%	

16 CFR 1633 – Manufacturing Locations of Testing Failures									
Results				Quarte	r Ending				Overall
	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	Results
U.S California	1	3	0	2	0	0	0	0	6
U.S. – Other States	0	2	0	0	0	0	0	0	2
Outside U.S.	0	1	0	0	0	0	0	0	1
Total Failures	1	6	0	2	0	0	0	0	9
Samples Tested	5	13	5	5	0	0	0	0	28



Thermal Insulation

Thermal insulation testing includes smoldering, flammability, corrosion, and R-value (efficiency rating) of thermal insulation samples. The Bureau tests various thermal insulation, such as loose-fill cellulose, fiberglass battings, loose-fill fiberglass, and polystyrene foam boards.

In recent years, thermal insulation testing had declined amid a greater focus on the furniture and bedding programs. However, in June 2023, the laboratory implemented a new protocol to increase thermal insulation testing by sending out thermal insulation sample requests every June and December. Over the past two years, the lab tested 50 thermal insulation products, over half of which were tested in the last six months. In the past two years, the 50 insulation samples resulted in a 28 percent failure rate.

Thermal Insulation Testing – Smoldering, Flammability, Corrosion & R-Value										
Results	Quarter Ending									
	6/30/23									
Pass	0	1	5	3	7	2	8	10	36	
Fail	0	0	2	1	2	2	1	6	14	
Total tested	0	1	7	4	9	4	9	16	50	
Pass rate	N/A	100%	71%	75%	78%	50%	89%	63%	72%	

Bedding Testing – Finished Size and Net Weight

Bedding testing consists of compliance with finish size and net weight measurements. Examples of bedding products include comforters, bed pillows, mattress pads, and mattresses.

The Bureau's bedding failures (finished size and net weight) have been particularly high the past few years. In January 2025, the Bureau released six technical bulletins, which are posted on the Bureau's website, to provide greater clarity about requirements and to help ensure greater industry compliance.

During the quarter ending September 30, 2024, Lab staff shifted focus from furniture and bedding to thermal insulation to prepare for thermal insulation accreditation and biannual thermal insulation testing. The Lab's focus continued with thermal insulation through the guarter ending March 31, 2025, but is expected to focus less on thermal in the coming months.

Bedding Testing – Finished Size and Net Weight*											
Results		Quarter Ending									
	6/30/23										
Pass	7	10	7	5	2	5	0	1	37		
Fail	5	2	4	6	4	9	2	4	36		
Total tested	12	12	11	11	6	14	2	5	73		
Pass rate	58%	83%	64%	45%	33%	36%	0%	20%	51%		

^{*}Please note: Label failures are not reported in this section of the Lab update.

Laboratory Statistics

The table below includes combined test results for TB 117-2013, 16 CFR 1633, bedding, and thermal insulation. Information about label review and flame-retardant chemical testing results follow.

Each year the lab undergoes one onsite accreditation review for one of its two programs, which requires significant staff time to prepare. The 2024 accreditation focused on the thermal insulation program and took place in October. As a result, testing numbers decline during this time. The Bureau has recently signed a contract to consolidate accreditation services so that going forward the Bureau will undergo accreditation once every other year. This change should significantly increase the number of samples staff can test.

BHGS Laboratory Testing Totals											
Results	Quarter Ending										
	6/30/23*										
Pass	23	27	28	21	22	10	10	15	156		
Fail	6	8	6	9	6	11	1	6	53		
Total tested	29	35	34	30	28	21	11	21	209		
Pass rate	79%	77%	82%	70%	79%	48%	91%	71%	75%		

^{*}There were three inconclusive samples in the quarter that ended 6/30/2023. The follow-up samples needed for additional testing information are included in the total tested, but their results are not counted in the pass/fail rate.

Flame Retardant Chemical Labeling and Testing

BHGS

Since the passage of SB 1019 in 2015, manufacturers are required to state if their product does or does not contain flame-retardant chemicals. Currently, almost all manufacturers state they do not use flame-retardant chemicals in their products.

The Bureau sends products where the flammability label includes a "contains NO added flame retardant" statement to the California Department of Toxic Substances Control (DTSC) for chemical analysis to confirm the accuracy of the statement. This includes juvenile products, foam in adult mattresses, and upholstered furniture.

No samples sent to DTSC between April 1, 2023 and March 31, 2025, contained over 1000ppm (parts per million) of flame-retardant chemicals. Though each sample can involve sending multiple layers to DTSC for testing, it will only be recorded as one overall pass or fail. BHGS did not send any samples to DTSC between April 1, 2023 and March 31, 2024, because the contract with DTSC had expired. The contract has been renewed and BHGS sent samples to DTSC in early February 2025. These samples and their results will be reflected in the statistics reported at the October Advisory Council meeting.

Flame Retardant Chemical Statement Analysis											
Results			Quarter Ending (
	6/30/23*	9/30/23	12/31/23	3/31/24	6/30/24	9/31/24	12/31/24	3/31/25	Results		
No Added FR Chemicals	14	9	10	10	13	3	2	5	66		
Added FR Chemicals	0	0	0	0	0	0	0	0	0		
No Box Checked	2	0	1	0	0	0	0	0	3		
Total tested	16	9	11	10	13	3	2	5	69		
Pass rate	93%	100%	91%	100%	100%	100%	100%	100%	96%		

^{*}In the quarter ending June 30, 2023, one of the upholstered furniture items predated TB 117-2013 and SB 1019 and was, therefore, not factored into the pass rate for flame retardant chemical statements.



Laboratory Statistics

Samples Analyzed by DTSC with the "No Added Flame Retardant" Chemical Statement											
Results		Quarter Ending									
	6/30/23	6/30/23 9/30/23 12/31/23 3/31/24 6/30/24 9/30/24 12/31/24 03/31/25 F									
Pass	0	0	0	0	4	0	0	0	4		
Fail	0	0	0	0	0	0	0	0	0		
Total tested	0	0	0	0	4	0	0	0	4		
Pass rate	N/A	N/A	N/A	N/A	100%	N/A	N/A	N/A	100%		



Label Review

Label review is conducted on all mattresses, upholstered furniture, and bedding products. A Laboratory analyst reviews the law and flammability labels attached to the products to determine if the manufacturer has followed the rules and regulations that apply to their product. Over the past two years, only 22 percent of labels reviewed by the Bureau had no violations.

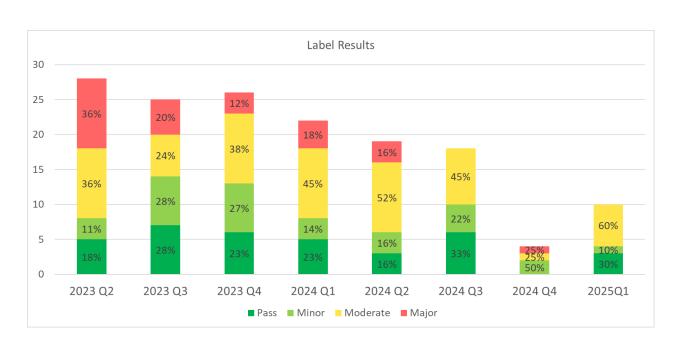
The Bureau will reimburse businesses with samples that pass or samples with minor labeling failures, but not those with moderate labeling failures. Major labeling failures lead to enforcement action against the manufacturer.

Since the quarter ending September 30, 2024, the Laboratory's focus was on biannual thermal insulation testing, which resulted in a decline in label review over the past two quarters, but is expected to focus less on thermal in the coming months.

	Label Results										
Results		Quarter Ending									
	6/30/23	6/30/23 9/30/23 12/31/23 3/31/24 6/30/24 9/30/24 12/31/24 3/31/25									
Pass	5	7	6	5	3	6	0	3	47		
Minor	3	7	7	3	3	4	2	1	50		
Moderate	10	6	10	10	10	8	1	6	86		
Major	10	5	3	4	3	0	1	0	33		
Total tested	28	25	26	22	19	18	4	10	216		
Pass rate	18%	28%	23%	23%	16%	33%	0%	30%	22%		



Laboratory Statistics



AGENDA ITEM 10 Enforcement Program Update BUREAU OF HOUSEHOLD GOODS AND SERVICES

Enforcement

Enforcement Program Update and Statistical Review

The Enforcement Program is comprised of four units: The Compliance Unit handles incoming complaints and desk investigations; the Northern Special Investigations Unit handles cases from northern Los Angeles, along the coast to Northern California; the Southern Special Investigations Unit handles cases from Kern County, across southern Los Angeles, and through Orange County and the Inland Empire to San Diego; and Case Management schedules citation review conferences, reviews citations and field reports, provides analyst support to field staff, gathers information for the Enforcement program logs and statistics, and manages the Bureau's Collections Program.

Investigation Highlights

Attorney General Cases

A Default Decision and Order was approved February 4, 2025, with an effective date of March 13, 2025, to revoke the license of an HHM Orange County household mover. The Bureau investigated multiple complaints against the business which failed to respond to consumer claims for damage, did not provide estimates, advertised without a valid permit after their permit was suspended, and failed to cooperate with investigators.

A Default Decision and Order was approved February 4, 2025, with an effective date of March 15, 2025, to revoke the license of a HFTI business with multiple locations. The business falsely advertised or misrepresented merchandise, failed to make furniture deliveries within a reasonable time or make a refund, failed to have a valid license at some of the locations, failed to pay fines, failed to comply with orders of abatement, and multiple other causes for discipline.

In March 2025, the Bureau referred one case against an EAR business to the Attorney General's Office for license revocation. This business advertises and operates under names different than its own to mislead the public into believing they are hiring other businesses that are certified to provide repairs for high-end appliances.

Cooperation Among Agencies and Partners

The Enforcement program participates in regular taskforce meetings to share information and strategies with other state and local partners. This includes quarterly consumer fraud taskforce meetings with the San Diego County District Attorney's Office, and in December 2024 and April 2025, Bureau staff attended the San Bernardino County Strike Force meeting and presented new flyers about home restoration company flyers and the new HHM enforcement regulations. In November 2024 and February 2025, staff attended the Central Valley Taskforce meeting.

On January 28, 2025, the Bureau collaborated with the Bureau of Automotive Repair and the LAPD to discuss Bureau authority related to mobile audio/security installation businesses and performing joint inspections with LAPD Taskforce for Regional Auto theft Prevention (TRAP) during site inspections at audio installation shops.

The Bureau has initiated a Northern California Task Force, which consists of participants from the Placer County District Attorney's Office, the Yolo County District



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Attorney's Office, the Attorney General's Office, the Better Business Bureau, and the Labor Commission. The Bureau hosted the first meeting April 17, 2025.

Memorandum of Agreement with Federal Motor Carrier Safety Administration

In October 2020, the Bureau and the Department of Transportation Federal Motor Carrier Safety Administration (FMCSA) signed a Memorandum of Agreement. As a result, Bureau staff have access to various FMCSA systems and can assist with taking enforcement action and the release of goods for moves that take place outside of California. In 2024, the Bureau investigated 190 interstate mover complaints.

The meetings with the FMCSA team have assisted the Bureau in developing policies and procedures to begin issuing citations for violations related to interstate moves. The Bureau issued its first federal citation in November 2024 to a mover who violated 49 CFR § 392.9a(a)(1) - Operating without the required operating authority under 49 U.S.C. 14901(d)(3). (Household Goods) with a fine of \$37,400.

Sweep and Sting Operations

On October 29, 2024, the Bureau conducted a sweep of delinquent and unlicensed EAR/HFTI businesses in Butte County. Thirteen Businesses were contacted – nine EAR and four HFTI – which resulted in eight citations being issued totaling \$2,000 in fines.

On November 7, 2024, the Bureau conducted a sting in Ventura County. Appointments with six unlicensed moving companies were scheduled and representatives from four companies appeared. In December 2024, the Bureau referred three cases to the Ventura County DA's office.

On November 22, 2024, the Bureau conducted a sweep of delinquent and unlicensed EAR/HFTI businesses in Los Angeles. Investigators issued 10 citations totaling \$3,500 in fines to businesses that did not comply with earlier outreach attempts.

In February 2025, the Bureau conduct a sweep across California targeting a retailer with multiple locations who failed to renew their HFTI retailer license. Staff visited sixteen locations and issued citations for operating without a valid license, totaling \$8,000 in fines. The business is now working with Licensing to bring their accounts current and to update licenses to reflect their current operations.

Cease Letters

Between October 2024 and March 2025, the Enforcement program issued 61 cease letters to businesses found to be operating or advertising without a valid Bureau license: 32 household movers; 22 HFTI businesses; and seven EAR businesses. These letters notify businesses that a Bureau license is required and include information about how they can obtain a license and inform them that continued operations may result in administrative action.

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BHGS Collections Program

The Bureau initiated its collections program in October 2024, by sending notices for unpaid citation fines to businesses. The process includes three notices to the business allowing them an opportunity to pay the outstanding fines before their debt is referred to collections by the Franchise Tax Board or DCA Collections. As of March 31, 2025, the Bureau has sent 102 collections notices to businesses and referred seven for collection.

Consumer/Business Assistance

The Enforcement program continues to work with consumers and businesses to investigate complaints and mediate complaints filed against both licensed and unlicensed businesses. Between October 1, 2024 and March 31, 2025, this work resulted in savings to the public of \$218,352. The following are examples of cases that highlight these efforts.

In September 2024, the Bureau mediated a complaint between a consumer and a service contract administrator. The consumer purchased a bedroom set and service contract. The drawers worked fine until the consumer bumped into one. The administrator refused to offer a solution, stating it was a manufacturer's defect. The consumer then requested a refund of \$799, the full cost of the service contract. The analyst mediated the complaint and the administrator agreed to replace the drawer, valued at \$949.

On September 23, 2024, the Bureau investigated a dispute between a consumer and a mover due to alleged inflated hourly charges and property damage. The consumer said they agreed to a 3-hour rate for a local move but was charged for 5 hours, plus additional fees. The investigator reviewed documents and discussed the differences with both parties who agreed to resolve the dispute with a \$390 refund to the consumer.

In September 2024, the Bureau investigated a complaint against a mover alleging items were damaged and lost during a move. The investigator spoke to the consumer, who said that after the move they noticed some items were damaged and a chair was missing with a value totaling \$11,604. An investigator contacted the business owner who admitted that the damage and lost items were the company's fault. The company offered the consumer \$10,000, which the consumer accepted.

In October 2024, the Bureau investigated a complaint against a computer repair business. The consumer reported that their laptop was not working and that they took it for repair but that after two attempts the port was not fixed. After speaking with the business, the Bureau learned that the repairs were completed by an unlicensed business. The new owner was educated about the Bureau's license requirements and later obtained a license and repaired the port at no extra cost to the consumer.

On October 14, 2024, the Bureau received a complaint from a consumer against an appliance repair business. The consumer hired the business to diagnose an issue with a squeaky noise coming from their dryer and was told that the bearings need to be replaced. The business sent his technician to the home and later that day the



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consumer's washer and dryer short circuited. The consumer then waited a number of months until the licensee sent a technician a second time who replaced a heat ignitor. The delay in completing the repair left the consumer without a working dryer for months. The consumer requested a refund for the delay. After mediation by a Bureau analyst, the business agreed to refund the consumer \$356.

On December 17, 2024, the Bureau mediated a service contract case where the administrator denied a claim to replace a consumer's appliance. The Bureau investigator identified a history of issues with the appliance that warranted replacement, communicated these issues to the administrator, and facilitated a refund to the consumer of \$612 for the cost of the item.

On December 18, 2024, the Bureau investigated a complaint about a delay in delivering household goods due to a disagreement over charges. A Bureau investigator communicated with both the consumer and the business and mediated delivery of the goods and an adjustment of charges, saving the consumer \$4,815.

On December 18, 2024, the Bureau facilitated the release of household goods wrongfully held by a mover. The consumer reported missing goods following asbestos abatement at their residence, which were later found at the mover's warehouse. The consumer was refunded \$6,783 after her missing goods were delivered.

On January 8, 2025, the Bureau mediated a case concerning household goods and a dispute over restoration work authorization. The consumer was being billed \$99,000 after her residence was restored due to water damage. After a thorough review by Bureau staff of contracts and multiple negotiations, the respondent reduced the original amount owed from \$99,000 to \$35,000. The consumer had already paid \$9,000 and the business owner ultimately forgave the remaining balance of \$26,000.

On January 27, 2025, the Bureau mediated a case where a consumer's goods were being held at a warehouse in California and scheduled for auction due to non-payment of storage. Through communication with the permitted carrier, the Bureau investigator determined that the goods were safely stored in multiple vaults and had been in storage since August 2024. The dispute over delivery schedules led to further delays and additional storage fee charges that totaled \$8,662. The investigator mediated the release of the consumers goods with no additional charges.

In January 2025, the Bureau mediated a complaint against a service contract administrator that resulted in a refund to the consumer of \$1,270 to replace a washer. This amount includes \$1,070 for the cost and tax of the washer and \$200 in laundry fees for when the washer was not working.

February 2025, the Bureau mediated a complaint against a jeweler after the consumer took her bracelet to the business for repair. The business lost the bracelet and informed consumer that it would be replaced, however, they failed to follow through. The Bureau analyst communicated with both parties and the business replaced the lost bracelet valued at \$6,100.



Enforcement

Complaints Received and Investigations Initiated

All complaints received by the Bureau are processed and triaged by the Compliance unit, and each complainant receives an acknowledgement letter. Compliance unit staff then determine if the Bureau has jurisdiction. Bureau staff close non-jurisdictional cases without investigation and send a letter to the consumer with information about other remedies. When the Bureau does have jurisdiction, complaints are mediated or investigated further.

The table on the next page shows the number of incoming complaints for all three program areas between April 1, 2023, and March 31, 2025, and the number closed without investigation (non-jurisdictional) or referred for investigation. The number of cases referred for investigation fluctuates from quarter to quarter. While variance is not uncommon, Bureau staff have seen an increase in complaints for both HFTI and EAR over the last three quarters.

			Complain	ts Receiv	ed*			
	4/1/23- 6/30/23	7/1/23- 9/30/23	10/1/23- 12/31/23	1/1/24- 3/31/24	4/1/24- 6/30/24	7/1/24- 9/30/24	10/1/24- 12/31/24	1/1/25- 3/31/25
EAR								
Received	303	303	292	319	315	482	450	493
Closed w/out Investigation	165	184	167	212	216	330	337	349
Referred for Investigation	128	126	119	116	97	140	128	141
HFTI								
Received	136	115	146	99	123	98	116	164
Closed w/out Investigation	56	35	60	33	50	41	65	64
Referred for Investigation	72	81	86	68	74	58	52	99
ННМ								
Received	91	111	97	79	184	143	114	96
Closed w/out Investigation	0	0	0	0	0	0	1	0
Referred for Investigation	91	111	97	79	184	149	113	96
Bureau Totals								
Received	530	529	535	497	622	723	680	753
Closed w/out Investigation	221	219	227	245	266	371	403	413
Referred for Investigation	291	318	302	263	355	347	293	336

^{*}The number of complaints received for each quarter will not be equivalent to the combined "closed without investigation" and "referred for investigation" because complaints either closed or investigated may have been received during a prior quarter or closed during the following quarter.

Investigations

Compliance unit analysts perform desk investigations and mediate licensed electronic and appliance repair complaints, as well as home furnishings and thermal insulation complaints. Household mover complaints are forwarded to a lead Compliance unit analyst and the Special Investigations unit for investigation following initial triage. The Compliance unit is also responsible for investigating and writing citations for laboratory testing that results in label or flammability failure, investigating licensing fee waivers, and investigating criminal background and subsequent arrest investigations.

The Special Investigations unit investigates egregious complaints against licensed and unlicensed businesses. SIU staff are located throughout California and work with other state and local agencies, sharing case information and strategies to assist in mediation between businesses and consumers. In addition, SIU staff conduct field inspections to

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address unlicensed operations and license renewal delinquencies and collect product samples for testing in the Bureau lab.

The chart below shows the number of investigations conducted between April 1, 2023 and March 31, 2025. As in years past, the number of cases referred for investigation varies from quarter to quarter. Bureau management continue to monitor these numbers to identify any long-term trends.

			Inve	estigation	S				
	4/1/23- 6/30/23	7/1/23- 9/30/23	10/1/23- 12/31/23	1/1/24- 3/31/24	4/1/24- 6/30/24	7/1/24- 9/30/24	10/1/24- 12/31/24	1/1/25- 3/31/25	
EAR									
Received	140	126	119	116	97	141	128	141	
Closed	57	94	109	80	113	126	179	233	
HFTI						_			
Received	135	81	86	68	74	58	52	99	
Closed	35	35	59	87	84	94	90	113	
ННМ									
Received	67	111	97	79	184	149	113	96	
Closed	28	32	24	109	90	132	213	117	
Bureau Tot	Bureau Totals								
Received	342	318	302	263	355	348	293	336	
Closed	120	161	192	276	287	352	482	463	

^{*}The number of investigations received for each quarter will not be equivalent to those referred for investigation from the previous table because investigations may have been referred during a prior quarter or received during the following quarter.

Enforcement Program Citations Assessed

During an investigation and while conducting inspections, Enforcement staff use a variety of methods to achieve compliance, including education, cease letters, and citations. The chart on the next page details the number of citations issued and the overall amount assessed for all three programs between April 1, 2023, and March 31, 2025. Changes in SIU staffing – onboarding, new employees, and extended leave – have led to some fluctuations quarter-to-quarter in the number of citations issued. Management is committed to cross-training Enforcement staff so that all investigators can work in all three program areas.

The chart also includes information about the monies collected from citations. The amount collected in each quarter may include payments from citations issued in a previous quarter. Also, citation amounts may be modified as a result of a decision made after a Citation Review Conference, an Administrative Hearing, or a citation withdrawal. Cooperation and good faith efforts demonstrating compliance by the business are taken into consideration when determining the modification of fines.

Enforcement

Citations Assessed									
	4/1/23- 6/30/23	7/1/23- 9/30/23	10/1/23- 12/31/23	1/1/24- 3/31/24	4/1/24- 6/30/24	7/1/24- 9/30/24	10/1/24- 12/31/24	1/1/25- 3/31/25	
EAR									
Citations Issued	27	38	42	31	26	50	58	61	
Amount Cited	\$7,000	\$11,315	\$10,400	\$7,525	\$6,700	\$11,630	\$14,220	\$12,865	
Amount Collected	\$2,800	\$2,570	\$2,150	\$1,825	\$1,100	\$2,560	\$3,330	\$1,140	
HFTI									
Citations Issued	45	18	43	38	33	43	12	65	
Amount Cited	\$26,350	\$11,100	\$27,650	\$29,750	\$19,800	\$24,900	\$5,600	\$50,500	
Amount Collected	\$7,400	\$5,000	\$4,500	\$13,650	\$3,825	\$3,200	\$2,100	\$2,046	
ННМ									
Citations Issued	12	19	13	10	4	3	17	3	
Amount Cited	\$20,500	\$26,000	\$29,500	\$13,500	\$5,000	\$6,000	\$68,900	\$6,000	
Amount Collected	\$1,000	\$1,000	\$500	\$500	\$0	\$0	\$1,000	\$1,000	
Bureau To	otals								
Citations Issued	84	75	98	79	63	96	87	129	
Amount Cited	\$53,850	\$48,415	\$67,550	\$50,775	\$31,500	\$42,530	\$88,720	\$69,365	
Amount Collected	\$11,200	\$8,570	\$7,150	\$15,975	\$4,925	\$5,760	\$6,430	\$4,186	

^{*} The Bureau has seen a fluctuation in HHM citations due to hiring and training. Additionally, a focus on consumer protection and assistance for HHM cases has resulted in a total savings to the public of \$105,825 for HHM cases alone.



Lab Failure Statistics

Below is information on enforcement actions related to Lab failures. Home furnishings and thermal insulation samples are collected by Enforcement staff throughout the state for testing by the Bureau's Lab for compliance with label and flammability requirements. For products that fail, Compliance unit staff investigate and write citations for violations of label and flammability requirements. Pending citations, which are not included in the chart below, relate to flammability failures.

Lab Failures										
1/1/2024- 4/1/2024- 10/1/2024- 3/31/2024 9/30/2024 3/31/2025										
Lab Failure Advisory Letters	7	8	0							
Lab Failure Citations Issued	19	9	11							
Lab Failure Total Fines Assessed	\$17,850	\$7,600	\$18,425							
Lab Failure Cases Completed	26	17	12							

Note: Staff began tracking Lab failures January 1, 2024. The number of Lab Failure Cases Completed between January 1, 2024 and March 31, 2024, is higher because it included samples procured throughout 2023.



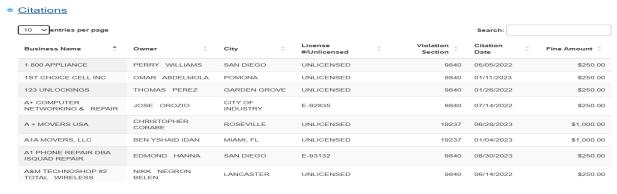
Webpage Citations and Disciplinary Actions - Current

The Enforcement Program, working with Content Manager Joanne Van, has updated some of the Bureau's website pages while the redesign of the overall website is underway to make it easier for consumers to find pertinent enforcement information about businesses. The public can see the list of citations and disciplinary actions on the same page as the license search as shown below (in both a collapsed and expanded version).

Citations and Disciplinary Actions Citations Citation

Combined Webpage (Expanded)

Citations and Disciplinary Actions



<u>Disciplinary Actions</u>

10 ventries per page				Search:
Business Name	Owner 崇	City $\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \$	License # / Unlicensed	Notes
Computer World	Brian Yousofi	Fremont	E-8389	08/27/2024: Accusation
Mattress Express Cali	Amritpal Saran and Manpreet Hayer	Roseville	M-172768	10/22/2024: Accusation, 02/04/2025: Default Decision and Order
Polaris Moving Systems Inc.	Eliezer Yehoshua Kiselman	Fremont	CAL-T #0191723	8/27/2024: Accusation
Reballing Genius, LLC / PS3 Specialist Tech Genius Repairs	Khaled Ibrahim	Montclair	E-90754	1/30/2024: Accusation, 5/6/2024 Default Decision and Order

AGENDA ITEM 11

Communications and Education Update





Outreach

The Bureau's Outreach Unit, in coordination with the Department of Consumer Affair's Communications Office, leads efforts related to outreach, updating various publications, website redesign/update, social media management, video editing, and overall communications targeted to consumers, licensees, applicants, and other interested parties.

Since November 2024, the Bureau has increased its outreach and communications efforts in the following areas:

Video

Two videos titled "Tips For Hiring a Mover" – one for moves within California (https://youtu.be/aQzfsNmXxew) and the other for moves into and out of California (https://youtu.be/n9KLSWWLHAs) – were published in February. Created in collaboration with DCA, these videos highlight key information consumers should be aware of when hiring a mover as well as tips on how to avoid scams. These videos are available on DCA's YouTube channel and are shared to the Bureau's website, Facebook, Instagram, LinkedIn, and X accounts.

A video titled "Inside the Lab at the California Bureau of Household Goods and Services" was posted and shown at the annual International Association of Bedding and Furniture Law Officials (IABFLO) conference at the end of April. The video covers the various tests and procedures conducted by the Bureau's laboratory staff and is available on DCA's YouTube channel and is shared to the Bureau's website, Facebook, Instagram, LinkedIn, and X accounts.

All BHGS videos can be found on DCA's YouTube channel: youtube.com/user/californiadca.

Fliers and Publications

A publication was posted in <u>English</u> and <u>Spanish</u> providing household movers with updated general frequently asked questions. In addition to the publication, the <u>FAQs</u> <u>webpage for HHM</u> was updated with the new content.

A publication with frequently asked questions about the new HHM interstate application was published in English and Spanish. This publication addresses questions interstate movers may have about completing the newly available application.

In response to the wildfires that burned in the Los Angeles area in January 2025, the Bureau created a publication with common questions consumers may have regarding home restoration companies. In addition to being posted on the website in English and Spanish, the publication was distributed at outreach events – including at Disaster Recovery Centers that were set up throughout the Los Angeles area.

Social Media

The Bureau continues to update its social media accounts at least once a week in both English and Spanish.

Outreach

Topics posted on social media change from week to week, and include job listings, industry advisories, consumer resources, how-to guides, timely updates, and more across all Bureau programs for applicants, licensees, and consumers.

Below are the Bureau's social media numbers for the past four quarters:

Platform	Followers 6/30/2024	Followers 9/30/2024	Followers 12/31/2024	Followers 3/31/2025	% Change – 6/30/2024- 3/31/2025
Facebook	270	275	288	292	+8.15%
<u>Instagram</u>	174	179	190	195	+12.01%
<u>LinkedIn</u>	196	228	234	236	+20.41%
X	131	156	143	146	+11.45%

Examples of published social media graphics follow:









Outreach

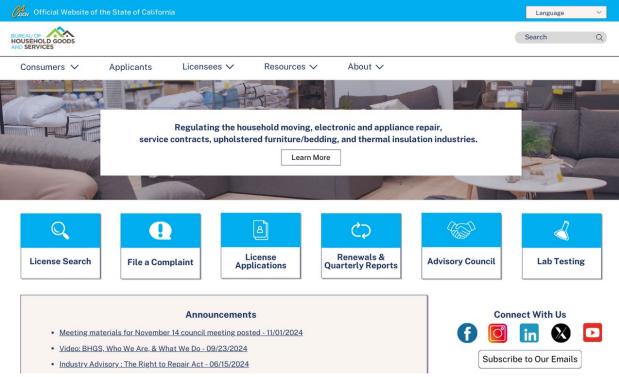
Website

The Bureau's <u>License Search webpage</u> now has a new look -- licenses, citations, and disciplinary actions can now all be found on the same page. Additionally, citations and disciplinary actions data, which will be updated quarterly, can be sorted by column and searched by keyword.

The Bureau's <u>contact form</u> was revised to more effectively handle incoming inquiries and to ensure these inquiries are directed to the appropriate party. Web visitors can submit queries related to enforcement, general lab topics, thermal insulation, licensing, media/outreach, public records, and more.

Six technical bulletins outlining the methods for measuring bedding products' finished size were posted to the <u>Test Standards page</u>.

The Bureau is in the process of fully redeveloping its website to encourage ease of navigation, prioritize essential tools and information, and maintain ADA compliance. The Bureau is finalizing the new design and content is being edited to ensure that information is up to date. Conversations have started with DCA to implement these changes. Below is a draft of what the website home page could look like.



Presentations

The Bureau participated in two recent outreach events:

1. On December 12, 2024, Christopher Herron, Terae McKinney, Mei Di, Nicholas Ching, and Raleigh Jacobe represented the Bureau at a strike force meeting with the San Bernadino County Deputy District Attorney's Office. They shared

Outreach

information on the Bureau's enforcement efforts and opportunities for collaboration.

2. On March 5, 2025, Oliver Manila and Terae McKinney represented the Bureau at a National Consumer Protection Fair in San Diego with about 50 people in attendance coordinated by the County of San Diego Department of Agriculture, Weights & Measures.



Terae McKinney and Oliver Manila at a National Consumer Protection Fair in San Diego.

Internal Communications

The Bureau is committed to build internal communication efforts to boost transparency, encourage collaboration, and nurture a strong work culture. An internal newsletter continues to be distributed monthly to keep staff informed about Bureau activities and regulated industries. Additionally, three personnel fact sheets were distributed to keep staff informed on their rights and benefits.

AGENDA ITEM 12

Legislative and Policy Updates

- a. Household Movers Enforcement Regulations Update
- b. Upholstered Furniture and Bedding Law Label Regulatory Proposal Update
- c. Household Movers Permit Requirements Regulatory Proposal Update
- d. AB 366 (2025): Petrie-Norris and Ransom: Ignition Interlock Devices



Household Movers Enforcement Regulations

The Household Movers Enforcement Regulations were approved for adoption by the Office of Administrative Law in January 2025 and became effective on April 1, 2025.

The regulations establish:

- Definitions for certain terms, including "advertising," "household goods," and "personal effects."
- The Bureau's citation system, including how citations will be issued, how to contest or comply with citations, and how fines will be assessed.
- The substantial relationship criteria and the rehabilitation criteria that the Bureau must use when determining whether to deny, suspend, or revoke a license based on a crime, professional misconduct, or an act that resulted in disciplinary action.
- Advertising requirements, including that household movers must include their Bureau license number in all advertisements and display it on every vehicle they operate.

DEPARTMENT OF CONSUMER AFFAIRS

Title 16. Professional and Vocational Regulations Division 27. Bureau of Household Goods and Services

ORDER OF ADOPTION

Household Movers Enforcement Regulations

Legend:	Added text is indicated with an <u>underline</u> .
	Omitted text is indicated by (* * * *)
	Deleted text is indicated by strikeout.

Amend and Retitle Division 27of Title 16 of the California Code of Regulations to read as follows:

Division 27. Bureau of Electronic and Appliance Repair <u>Household Goods and Services</u>

Adopt new Chapter 1 and title in Division 27 of Title 16 of the California Code of Regulations to read as follows before Article 1 (that commences with Section 2700) (no existing regulations are proposed to be amended in existing Articles 1-7 of Division 27 (Sections 2700-2775):

Chapter 1. Electronic and Appliance Repair Dealer Registration Law Regulations

Adopt Chapter 2 with title in Division 27 of Title 16 of the California Code of Regulations to read as follows:

Chapter 2. Household Movers Act Regulations

Adopt Section 2800 and Article 1 with titles, Sections 2940, 2941, 2942, and 2943 in Article 2 with titles, and Sections 2970, 2971, and 2972 in Article 3 with titles in Chapter 2 of Division 27, of Title 16 of the California Code of Regulations to read as follows:

Article 1. General Provisions

§ 2800 Definitions

The definitions in this section shall govern the construction of this chapter unless otherwise indicated.

- (a) "Act" means the Household Movers Act, as enacted in Chapter 3.1 of Division 8 of the Business and Professions Code (beginning with Section 19225).
- (b) "Advertising," as used in the Act and in this Chapter, means any form of oral or written communication that solicits or offers to provide any consumer the services of a household mover as defined in Section 19225.5 of the Code by any means, media, or form of advertisement, including: any card, estimate, bill of lading, agreement for moving services, sign, billboard, lettering on vehicles, brochure, pamphlet, circular, stationery, newspaper, magazine, newsletter, printed or published advertisement online or in any other electronic medium, including via an application or software or via access through data-enabled device, such as a computer, tablet, or cellular phone, and any form of directory under any listing for a household mover or any word or words intended to engage, solicit, arrange or offer work for which a permit is required by Section 19237 of the Act.
- (c) "Chief" has the meaning set forth in Section 19225.5 of the Code.
- (d) "Code" means the Business and Professions Code, unless otherwise specified.
- (e) "Household Goods" or "Personal Effects," as used in the Act and in this Chapter, mean personal property other than real estate, belonging to an individual or their immediate family, customarily found in the home and used in connection with the maintenance, use, and occupancy of the premises as a home.

Note: Authority cited: Section 19228, Business and Professions Code. Reference: Sections 19228, 19225 and 19225.5, Business and Professions Code.

Article 2. Enforcement

§ 2940. Administrative Citations

- (a) The Chief or their designee is authorized to determine when and against whom a citation will be issued and to issue citations containing orders of abatement and fines against any permitted household mover ("permitholder") and any officer, director, agent or employee of any permitholder for any violation of the provisions of the Act and any regulations adopted pursuant thereto.
- (b) In addition to subsection (a), the Chief or their designee is authorized to determine when and against whom a citation will be issued and to issue citations containing orders of abatement and fines against persons, as defined in Section 302(d) of the Code, who engage or attempt to engage in any activity including advertising for which a permit is required under the Act ("unlicensed activity").
 - (1) Any sanction authorized for the unlicensed activity under this section shall be separate from and in addition to any other civil or criminal remedies authorized under the Act.

(c) Each citation:

- (1) Shall be in writing and shall describe with particularity the nature of the violation, including a specific reference to the provision of law determined to have been violated.
- (2) Shall be served upon the cited party personally or by registered mail pursuant to Section 11505(c) of the Government Code.
- (3) Shall contain an order of abatement fixing a reasonable time for abatement of the violation.
- (4) May contain a fine not to exceed the amounts specified in Section 125.9 of the Code and, where applicable, issued and assessed in accordance with Section 2943.
- (5) Shall inform the cited party of the opportunity to request a citation review conference or an administrative hearing, or both, to contest the citation pursuant to Section 2941.
- (6) If the citation is issued for acts other than unlicensed activity as provided in subsection (b), shall inform the permitholder that failure of the permitholder or cited party to pay a fine or comply with an order of abatement, or both, within 30 days of the date of assessment or order, unless the citation is being appealed, may result in disciplinary action being taken by the Bureau. The permitholder or cited party shall be informed that if a citation is not contested and a fine is not paid, the full amount of the assessed fine shall be added to the fee for renewal of the permitholder's permit and the permit will not be renewed without payment of the renewal fee and fine.
- (7) If the citation is issued pursuant to Section 19279.1 of the Code, shall include an order to cease all advertising for household moving services.

Note: Authority cited: Sections 125.9, 148, and 19228, Business and Professions Code. Reference: Sections 10, 125.9, 148, 149, 9810, 19239.4, 19279, 19279.1, 19279.2, 19280, 19281, 19282, and 19283, Business and Professions Code.

§ 2941. Contest of Citations – Citation Review Conference

(a) In addition to requesting a hearing provided for in subdivision (b)(4) of Section 125.9 of the Code, the cited party may, within ten (10) days after service of the citation, notify the Chief or their designee in writing of a request for a citation review conference regarding the acts charged in the citation.

- (b) The Chief or their designee shall hold, within 30 days from the date of receipt of the request, a citation review conference with the cited party or with the cited party's designated legal counsel or authorized representative. At the conclusion of the citation review conference the Chief or their designee may affirm, modify, or dismiss the citation, including any fine levied or order of abatement issued. The Chief or their designee shall state in writing the reasons for the action to affirm, modify, or dismiss the citation and transmit a copy of the findings and decision to the cited party within 20 days from the date of the citation review conference. If the decision is not contested as provided in subsection (c), the citation review decision shall be deemed to be a final order with regard to the citation issued, including any fine amount levied or any order of abatement issued. A cited party may not request a citation review conference for a citation that has been affirmed or modified following a citation review conference.
- (c) The cited party does not waive any right to request a hearing to contest a citation by requesting a citation review conference as provided in this section. If the citation, including any fine levied or order of abatement, is modified, the citation originally issued shall be considered withdrawn and a new citation issued. If a hearing is requested for the new citation, it shall be requested within 30 days of the date of the issuance of the new citation in accordance with subdivision (b)(4) of Section 125.9 of the Code.

Note: Authority cited: Sections 125.9, 148, and 19228, Business and Professions Code; Reference: Sections 10, 125.9, 148, 9810 and 19268, Business and Professions Code.

§ 2942. Citation Compliance

- (a) An assessed fine shall be paid within 30 days of the date of the fine assessment issued pursuant to a citation, or as applicable, a final affirmed or modified citation as provided in Section 2941. If a fine is not paid after a citation has become final, the fine shall be added to any cited party's permit renewal fee, if the fine was issued against a person associated with a permit. A permit shall not be renewed without payment of the renewal fee and fine. "Final" for the purposes of this section shall mean: the Bureau's decision has become effective, the cited person did not submit a written request to contest the citation as required by Section 2941, and the timeframe for submitting such a request under Section 2941 has passed.
- (b) The time to abate or correct a violation as provided for in an order of abatement may be extended for good cause. If a cited party who has been issued an order of abatement is unable to complete the correction within the time set forth in the citation because of conditions beyond the cited party's control after the exercise of reasonable diligence, the cited party may request an extension of time from the Bureau in which to complete the correction. Such request shall be in writing and shall be made within the time set forth for abatement.

- (c) When a citation is not contested, or if it is appealed and the cited party does not prevail, failure to abate the violation or to pay the assessed fine within the time allowed shall constitute a violation and a failure to comply with the citation or order of abatement.
- (d) A permitholder's failure to timely comply with an order of abatement or pay an assessed fine may result in further disciplinary action being taken by the Bureau including suspension or revocation of a permit, or placement of the permit on probation.

Note: Authority cited: Section 19228, Business and Professions Code. Reference: Sections 125.9, 148, 19228, and 19283 Business and Professions Code.

§ 2943. Assessments of Fines

(a) In addition to meeting the requirements of Section 2940, citations issued in accordance with Sections 19279, 19279.1, 19279.2, 19279.3, and 19280 of the Code shall contain a fine that shall be assessed in accordance with the following ranges of penalties:

Code Section	Description of Violation	Minimum Penalty	Maximum Penalty
19279	Violation of any rule, regulation, or requirement or aiding and abetting a violation of any rule, regulation, or requirement by a household mover	\$250	\$500 for each offense*
<u>19279.1</u>	Operating as a household mover as specified in the Act without a valid permit	<u>\$250</u>	\$5,000 for each offense*
<u>19279.2</u>	Corporation or person (other than household mover) who knowingly and willfully violates the Act, or fails to comply with any order, decision, rule, regulation, direction, demand, or requirement administered by the Bureau, or who procures, aids, or abets any household mover in its violation of the Act or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement by the Bureau	<u>\$250</u>	\$500 for each offense*
19279.3	Knowingly and willfully advertising as a household mover without having a valid permit	<u>\$250</u>	\$5,000 for each offense as provided in Section 19279.1 of the Code*

<u>19280</u>	Household mover falsifying permit status, membership in an association, or location	<u>\$250</u>	\$2,500 for each offense*

^{*} Every violation is a separate and distinct offense, and in each case of a continuing violation, each day's continuance thereof is a separate and distinct offense pursuant to Section 19281 of the Code.

- (b) In determining whether or not to issue a citation and the amount of the administrative fine, if issued, the Bureau shall take into consideration the following criteria, as applicable:
 - (1) The good or bad faith exhibited by the cited party.
 - (2) The nature and severity of the violation.
 - (3) Evidence that the violation was willful.
 - (4) History of previous violations.
 - (5) The extent to which the cited party has cooperated with the Bureau's investigation.
 - (6) The extent to which the cited party has mitigated or attempted to mitigate any loss caused by their violation.
 - (7) The extent of consumer injury, which is a direct and proximate result of the violation.
- (c) Where a citation lists more than one occurrence of the same violation, the amount of the assessed fine shall be cumulative and stated separately for each violation.
- (d) Fines not paid to the Bureau within 30 days of the date of a fine assessment issued pursuant to a citation shall be grounds to suspend, revoke, place on probation, or deny renewal of a permit.
- (e) Fines assessed for citations issued in accordance with Section 19279.1 of the Code shall be paid to the Bureau before a permit may be issued under Section 19237 of the Code. Failure to pay the fine within 30 days of the date of a fine assessment issued pursuant to a citation shall be grounds for denial of a permit pursuant to

Section 19239 of the Code.

Note: Authority cited: Sections 125.9, 148, 19228, 19279, 19279.1, 19279.2, 19280, Business and Professions Code. Reference: Sections 125.9, 148, 19239, 19277, 19277.1, 19278, 19279.1, 19279.1, 19279.2, 19280, 19281, 19282, 19283, and 19283.1, Business and Professions Code.

Article 3. Miscellaneous

§ 2970. Substantial Relationship Criteria

- (a) For the purposes of denial, suspension, or revocation of the permit of a household mover pursuant to Section 141, Division 1.5 (commencing with Section 475), or subdivision (f) of Section 19239 of the Code, a crime, professional misconduct, or act shall be considered to be substantially related to the qualifications, functions, or duties of a household mover if to a substantial degree it evidences present or potential unfitness of a household mover to perform the functions authorized by the permit in a manner consistent with the public health, safety, or welfare.
- (b) In making the substantial relationship determination required under subsection (a) for a crime, the Bureau shall consider all of the following criteria:
 - (1) The nature and gravity of the offense.
 - (2) The number of years elapsed since the date of the offense.
 - (3) The nature and duties of a household mover.
- (c) For the purposes of subsection (a), substantially related crimes, professional misconduct, or acts shall include, but are not limited to, the following:
 - (1) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision or term of Chapter 3.1, Division 8 of the Code.
 - (2) Crimes, professional misconduct, or acts involving dishonesty, fraud, deceit, or theft with the intent to benefit oneself or another or to harm another. These include, but are not limited to:
 - (A) Crimes, professional misconduct, or acts involving the acquisition or provision of false, altered, forged, counterfeit, or fraudulent statements or documents.
 - (B) Crimes, professional misconduct, or acts involving robbery, burglary, any form of theft, any form of fraud, extortion, embezzlement, money laundering, forgery, false statements, or an attempt to commit any of those offenses.

- (3) Crimes, professional misconduct, or acts involving an attempt or conspiracy to commit such crimes listed in (c)(1) or (c)(2).
- (4) <u>Serious felonies</u>, as defined in <u>Section 1192.7 of the Penal Code or a crime for which registration is required pursuant to paragraph (2) or (3) of subdivision (d) of Section 290 of the Penal Code.</u>
- (5) <u>Crimes, professional misconduct, or acts involving physical violence against others.</u>
- (6) <u>Crimes, professional misconduct, or acts that indicate a substantial or repeated disregard for the health, safety, or welfare of the public.</u>
- (d) If an applicant or permitholder wishes to contest a permit denial, suspension, or revocation based on a substantially related conviction, professional misconduct, or act, the applicant or permitholder may request a hearing pursuant to Sections 19239 or 19268 of the Code to determine if the permit should be denied, suspended, or revoked.

Note: Authority cited: Sections 19228, 19239, and 19268, Business and Professions Code. Reference: Sections 141, 480, 481, 485, 490, 493, 19239, 19268, 19275, and 19277, Business and Professions Code.

§ 2971. Rehabilitation Criteria

- (a) When considering the denial, suspension, or revocation of a permit pursuant to Division 1.5 (commencing with Section 475) of the Code on the grounds that the applicant or permitholder has been convicted of a crime, the Bureau shall consider whether the applicant or permitholder made a showing of rehabilitation if the applicant or permitholder completed the criminal sentence at issue without a violation of parole or probation. In making this determination, the Bureau shall consider the following criteria:
 - (1) The nature and gravity of the crime(s).
 - (2) The length(s) of the applicable parole or probation period(s).
 - (3) The extent to which the applicable parole or probation period was shortened or lengthened and the reason(s) the period was modified.
 - (4) The terms or conditions of parole or probation and the extent to which they bear on the applicant's or permitholder's rehabilitation.
 - (5) The extent to which the terms or conditions of parole or probation were modified and the reason(s) for modification.

- (b) If the applicant has not completed the criminal sentence at issue without a violation of probation, the Bureau determines that the applicant did not make the showing of rehabilitation based on the criteria in subsection (a), the denial, suspension, or revocation is based on professional misconduct, the suspension or revocation is based on a disciplinary action as described in Section 141 of the Code, or the denial, suspension, or revocation is based on one or more grounds specified in Section 19239 of the Code, the Bureau shall apply the following criteria in evaluating an applicant's or permitholder's rehabilitation.
 - (1) The nature and severity of the act(s), professional misconduct, disciplinary action(s), or crime(s) under consideration.
 - (2) The total criminal record and evidence of any act(s), professional misconduct, disciplinary action(s), or crime(s) committed subsequent to the act(s), professional misconduct, disciplinary action(s), or crime(s) under consideration as grounds for denial, suspension, or revocation.
 - (3) The time that has elapsed since commission of the act(s), professional misconduct, disciplinary action(s), or crime(s) under consideration.
 - (4) Whether the applicant or permitholder has complied with any terms of parole, probations, restitution, or any other sanctions lawfully imposed against the applicant or permitholder.
 - (5) The criteria in subsections (a)(1) through (a)(5), as applicable.
 - (6) If applicable, evidence that the conviction has been dismissed pursuant to Sections 1203.4, 1203.4a, 1203.41, 1203.42, or 1203.425 of the Penal Code, or a comparable dismissal or expungement.
 - (7) The applicant or permitholder has obtained a certificate of rehabilitation under Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.
 - (8) Evidence, if any, of rehabilitation submitted by the applicant or permitholder.
- (c) When considering a petition for reinstatement of a permit under the provisions of Section 11522 of the Government Code, the Bureau shall evaluate evidence of rehabilitation submitted by the petitioner considering those criteria specified in this section.

Note: Authority cited: Sections 482, 19228, and 19239, Business and Professions Code. Reference: Sections 480, 481, 482, 493, and 19239, Business and Professions Code.

§ 2972. Advertising

- (a) A household mover shall include their name and Bureau-issued permit number in all forms of advertising, solicitation, or other presentments made to the public in connection with the rendition of household mover services for which a permit is required by the Act.
- (b) In addition to the requirements of subsection (a), any advertisement by a broker shall communicate that the broker does not take possession of the cargo or assume responsibility for the cargo and is not party to the agreement for moving services.
- (c) Household movers who engage in transportation of household goods or personal effects shall display the Bureau-issued permit number on every vehicle operated by the household mover and shall comply with the requirements of Section 19236 of the Code. The permit number must be legible and not less than 1 ½ inches in height.

Note: Authority cited: Sections 137 and 19228, Business and Professions Code. Reference: 137, 19236, 19237, 19253.1, 19275, 19277, 19279, 19279.3, and 19281, Business and Professions Code.

<u>Upholstered Furniture Bedding Law Label Regulatory Proposal</u>

At the May 16, 2024, Advisory Council meeting, the Bureau discussed an updated draft of the Upholstered Furniture Bedding Law Label Regulatory proposal and included it in the meeting materials. Following that meeting, the Bureau received feedback from Advisory Council members and other interested parties, including industry representatives and members of the International Association of Bedding and Furniture Labeling Officials (IABFLO). The Bureau further revised the draft in response to this feedback and, in September 2024, submitted it to the Department of Consumer Affairs regulatory counsel for review.

In November 2024, DCA regulatory counsel provided extensive comments, including advise to separate the proposal into two parts: 1) a "Section 100" proposal containing the technical amendments, including reorganization of the existing regulations; and 2) a proposal containing the substantive amendments, including the updates to definitions and labeling requirements.

The Bureau has completed the "Section 100" proposal, and it was submitted to the Office of Administrative Law (OAL) in April 2025. OAL's review would complete the rulemaking process and approve this proposal for adoption.

The proposal containing substantive amendments will require significant updates, including any amendments made by the "Section 100" proposal and respond to the feedback from the Bureau's DCA Regulatory Counsel. The updated draft will then be resubmitted to the Bureau's DCA Regulatory Counsel for further review.

DEPARTMENT OF CONSUMER AFFAIRS Bureau of Household Goods and Services

TITLE 4. BUSINESS REGULATIONS

PROPOSED REGULATORY LANGUAGE Reorganization of Definitions and Technical Clean-Up

Legend: Added text is indicated with an <u>underline</u>.

Deleted text is indicated by strikeout.

Where the Bureau proposes to renumber existing text to a new location with no changes, the Bureau has emphasized that change by using [no changes to text] as a guide for the reader or striking out the old number and underlining the new number.

Pursuant to section 100, title 1 of the California Code of Regulations, the Bureau of Household Goods and Services (Bureau) proposes to move Section 1136 from Article 3 to Article 1 and renumber it to subsection (c) under Section 1101; renumber Section 1137 to Section 1136; move subsection (a) of Section 1182 from Article 4 to Article 3 and renumber it to new Section 1137; renumber Sections 1181 and 1182 to Sections 1138 and 1139, re-title them, and move them from Article 4 to Article 3; re-title Sections 1209 and 1210, renumber Sections 1209, 1210, and 1211 to Sections 1140, 1141, and 1142, and move them from Article 6 to Article 3; renumber Section 1238 to Section 1143, re-title and amend it, and move it from Article 7 to Article 3; renumber Section 1247 to Section 1144, re-title it, and move it from Article 8 to Article 3; renumber Sections 1329 and 1330 to 1145 and 1146, re-title them, and move them from Article 11 to Article 3. The Bureau also proposes to amend Sections 1101, 1103, 1104, 1105, 1135, 1251, 1300, and 1316 to read as follows:

1. Amend Section 1101 of Article 1 of Division 3 of Title 4 of the California Code of Regulations to read as follows:

§ 1101. Definitions of Bureau and Act.

For the purposes of these rules and regulations, the <u>following</u> terms shall mean:

- (b) "Bureau" means the Bureau of Household Goods and Services.
- (a) and the term "aAct" means Chapter 3 of Division 8 of the Business and Professions Code, which chapter is also cited as the Home Furnishings and Thermal Insulation Act.
- (c) <u>Definitions of Types of Bedding:</u> [relocated from Section 1136, Article 3, no changes to text]
 - (1) Box Springs shall mean an article designated to support a mattress, consisting of coiled springs on a wood, metal, plastic, or any such combination thereof, frame

upholstered on top with filling material and covered on top and sides with fabric. [relocated from Section 1136(a), Article 3, no changes to text]

- (2) Matching Box Springs shall mean an article designated to support a mattress, consisting of coiled springs on a wood, metal, plastic, or any such combination thereof, frame, upholstered on top with filling material and covered on top and sides with the same fabric as the mattress. [relocated from Section 1136(b), Article 3, no changes to text]
- (3) Foundation shall mean any structure designed to support a mattress. [relocated from Section 1136(c), Article 3, no changes to text]

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Sections 19000, 19004, 19007, and 19030, Business and Professions Code.

2. Amend Sections 1103, 1104 and 1105 of Article 1 of Division 3 of Title 4 of the California Code of Regulations as follows:

§ 1103. "Separate Service to the Trade."

As used in Section 19014 of the <u>Aact</u>, includes any of the following services by the parent house, when rendered by a subsidiary establishment:

- (a) Sale of Goods. Except for the display and sale of goods in an established furniture mart or exchange when the subsidiary establishment is the principal place of business of the wholesaler maintaining the display and service.
- (b) Delivery of goods sold in the subsidiary establishment with local stock and independent of the parent house.
- (c) Entire or partial billing for goods sold and delivered.
- (d) Entire or partial billing and collection for goods sold and delivered.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Section 19014, Business and Professions Code.

§ 1104. The Term "On His or Her Own Account."

As used in Sections 19060.5 and 19060.6 of the <u>Aact</u>, the term "on his or her own account" is intended to limit the requirement for a license to the person who is obligated as a principal in contracts to sell or contracts to render services. The requirement for a license does not extend to salesmen, factors, agents, solicitors, factory representatives or those who act only in a representative capacity for others.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Sections 19060.5 and 19060.6, Business and Professions Code.

§ 1105. Exemptions.

Articles which are not clearly upholstered furniture or bedding, as described in the <u>Aact</u>, may be declared exempt from the provisions of the <u>Aact</u> and these regulations, except that when exempted articles are labeled they become subject to the <u>Aact</u> and the regulations and must be labeled in conformity therewith. No questionable articles shall be considered as exempt, however, until the articles or photographs thereof, have been submitted to the Bureau for inspection and final authority for exemption has been granted.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Sections 19006, 19007 and 19034, Business and Professions Code.

3. Amend Sections 1135, 1136, and 1137 and Add Sections 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, and 1146 of Article 3 of Division 3 of Title 4 of the California Code of Regulations to read as follows:

Article 3 Universal Labeling Definitions and Labeling Description of Filling Materials

1135. Terms of General Definitions and Label Requirements.

The following terms shall be stated on the law label when applicable in addition to other labeling nomenclature required by these regulations.

- (a) "Batting" shall mean fibers which have been carded or garnetted into layer form.
- (b) "Bleached" shall mean any product whose intrinsic color had been removed and whiteness improved by treating with a chemical compound.
- (c) "Colored" or "Dyed" shall mean any filling material which has been treated and impregnated with coloring material.
- (d) "Damaged" shall mean any filling material or article, which has been adversely affected by machine processing or by exposure to fire, water or other elements or source.
- (e) "Fibers of Unknown Kind" shall mean miscellaneous new textile materials of unknown origin, and for practical purposes, unknown fiber content.
- (f) "Gel" is any filing material of a semi-solid form, typically encased in a leak proof fabric cover and consisting of a mixture of water or other liquid base, dissolved chemicals and/or a suspension of other chemicals, which provides special ergonomic and resiliency properties.
- (g) "Pad" shall mean any filling material which is interwoven, punched, pressed, shaped,

or otherwise fabricated into pad form.

- (h) "Resinated" or "Resin Treated" shall mean any filling material treated with a combination of synthetic resin or a combination of synthetic resin and latex.
- (i) "Rubberized" shall mean any filling material which had been treated with a latex compound.
- (j) "Shredded" shall mean any filling material which has been cut or torn into pieces.
- (k) "Trash" shall mean shell, shale, stick, stem, leaf, boll, seed and foreign matter.
- (I) "Waste" shall mean filling material with any of the following characteristics.
 - (1) Trash content in excess of 7.0%.
 - (2) Grease and oil content in excess of 2.0%.
 - (3) Bits or scraps of cellulose wadding, paper, or other foreign matter.
 - (4) Variable diameter fiber.
 - (5) Pulp and undecorticated fiber in excess of 10.0%.
 - (6) Bits or scraps of fabric.
- (m) "Recycled Fibers" shall mean new fibers which are the by-product resulting from a textile processing method. Such recycled fibers shall not have a thread content in excess of 5.0%.

Note: Authority cited: Section 19034, 19088 and 19150, Business and Professions Code. Reference: Sections 19080, 19081, 19088 and 19089, Business and Professions Code.

- § 1136. Definitions of Types of Bedding. [Subsections (a)-(c) relocated to Section 1101(c)(1)-(3), Article 1, no changes to relocated text at Section 1101]
- (a) Box Springs shall mean an article designated to support a mattress, consisting of coiled springs on a wood, metal, plastic, or any such combination thereof, frame upholstered on top with filling material and covered on top and sides with fabric.
- (b) Matching Box Springs shall mean an article designated to support a mattress, consisting of coiled springs on a wood, metal, plastic, or any such combination thereof, frame, upholstered on top with filling material and covered on top and sides with the same fabric as the mattress.
- (c) Foundation shall mean any structure designed to support a mattress.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Section 19007, Business and Professions Code.

<u>1136</u>1137. Care Instructions. [no changes to text, only renumbering]

Effective October 1, 1977, all sleeping bags, mattress pads, comforters, bedspreads, coverlets, quilts and similar articles shall have a label sewn onto the article stating instructions for laundering and cleaning.

Note: Authority cited: Section 19034 and 19081, Business and Professions Code. Reference: Sections 19080 and 19081. Business and Professions Code.

<u>1137. Definition of "Cotton"</u> [new title and section number, but section content relocated from Section 1182(a), Article 4, with no changes to text]

"Cotton" shall mean a vegetable seed fiber consisting of unicellular hairs attached to the seed of several species of the genus Gossypium of the family Malvaceae.

Note: Authority cited: Section 19034 and 19089, Business and Professions Code.

Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

- <u>1138</u><u>1182</u>. **Definitions of Types of Cotton**. [relocates subsection (a) from this Section to new Section 1137, Article 4, with no changes to text; renumbers this section and within the new Section 1138 reorganizes the remaining subsections alphabetically with no other changes to text.]
- (a) "Cotton" shall mean a vegetable seed fiber consisting of unicellular hairs attached to the seed of several species of the genus Gossypium of the family Malvaceae.
- (a)(c) "Comber" shall mean the cotton waste resulting from running card sliver through a combing machine.
- (b)(d) "Fly" shall mean the cotton waste resulting when cotton is introduced to the carding machine.
- (c)(e) "Gin Flues" shall mean the cotton waste resulting from staple cotton in the ginning mill.
- (d)(h) "Linters" shall mean the fibrous growth resulting from the first cut of the cottonseed (subsequent to the usual first process of ginning) in the cotton oil mill.
- (e)(f) "Picker" shall mean the cotton waste remaining after cotton has been run through the picker in the cotton mill.
- (f)(i) "Second Cut Linters" shall mean the fibrous growth resulting from the second cut of

cottonseed in the cotton oil mill.

(g)(b) "Staple" shall mean the staple fibrous growth as removed from cottonseed in the usual process of ginning (first cut from seed).

(h)(g) "Strips" shall mean the cotton waste produced by or removed from the carding cloth following the carding process.

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1139</u><u>1181</u>. <u>"Blended Cotton"</u> Optional Labeling. [relocated from Section 1181, Article 4; re-titles and renumbers this Section with no other changes to text]

In lieu of the requirement set forth in Section 1125 of these regulations, any cotton filling material may be designated on the law label as "Blended Cotton" without stating the types of cotton present.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Section 19080. 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1140</u>+209. <u>Definition of "Wool."</u> [relocated from Section 1209, Article 6; re-titles and renumbers this section with no other changes to text]

Shall mean the fleece of sheep which has been scoured and carbonized. It shall be free of kemp and vegetable matter.

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1141</u><u>1210.</u> <u>Definition of "Hair."</u> [relocated from Section 1210, Article 6; retitles and renumbers this section with no other changes to text]

Shall mean the coarse filamentous epidermal outgrowth of such mammals as horses, cattle, hogs and goats.

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1142</u>1211. Classification of Hair. [relocated from Section 1211, Article 6; renumbers this section with no changes to text]

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Hair shall be classified and labeled as follows:

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"Horse Tail Hair"

"Horse Mane Hair"

"Hog Hair"

"Cattle Tail Hair"

"Cattle Hide Hair"

"Goat Hair"

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1143</u><u>1238</u>. <u>Kinds Definitions</u> of Man-Made Fibers. [relocated from Section 1238, Article 7; retitles and renumbers this section, reorganizes the subsections alphabetically]

The following terms shall be stated on the law label when applicable in addition to other labeling nomenclature required by these regulations for defining the chemical composition of manufactured fibers.

- (a) "Acetate": a manufactured fiber in which the fiber-forming substance is cellulose acetate. Where not less than 92% of the hydroxyl groups are acetylated, the term triacetate may be used as a generic description of the fiber.
- (b) "Acrylic": a manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85% by weight of acrylonitrile units. (-CH₂-CH-).

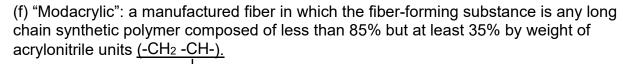
- (c) "Azlon": a manufactured fiber in which the fiber-forming substance is composed of any regenerated naturally occurring proteins.
- (d) "Glass": a manufactured fiber in which the fiber-forming substance is glass.

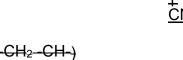
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(e) "Metallic": a manufactured fiber composed of metal, plastic-coated metal, metal coated plastic or a core completely covered by metal.

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 $\underline{\text{(g)}(h)}$ "Nitrile": a manufactured fiber containing at least 85% of a long chain polymer of vinylidene dinitrile (CH₂-C(CN)₂-) where the vinylidene dinitrile content is no less than every other unit in the polymer chain.

- (i) "Olefin": a manufactured fiber in which the fiber-forming substance in any long chain synthetic polymer composed of at least 85% by weight of ethylene, propylene or other olefin units.
- (j) "Polyester": a manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85% by weight of any ester of a dihydric alcohol and terephathalic acid (p-HOOC-C₆ H₄ -COOH-).
- (k) "Rayon": a manufactured fiber composed of regenerated cellulose, as well as manufactured fibers composed of regenerated cellulose in which substituents have replaced not more than 15% of the hydrogen of the hydroxyl groups.
- (<u>I)(p)</u> "Rubber": a manufactured fiber in which the fiber-forming substance is comprised of natural or synthetic rubber, including the following categories:
 - (1) A manufactured fiber in which the fiber-forming substance is a hydrocarbon such as natural rubber, polyisoprene, polybutadiene, copolymers of dienes and hydrocarbons, or amorphous (noncrystalline) polyolefins.
 - (2) A manufactured fiber in which the fiber-forming substance is a copolymer of acrylonitrile and diene (such as butadiene) composed of not more than 50% but at least 10% by weight of acrylonitrile units (-CH₂ -CH-). The term "laetrile" may be

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for fibers falling within this category.

(3) A manufactured fiber in which the fiber-forming substance is a polychloroprene or a copolymer of chlorophene chloroprene in which at least 35% by weight of the fiber-forming substance in composed of chloroprene units

 $\underline{\text{(m)(I)}}$ "Saran": a manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer comprised of at least 80% by weight of vinylidene chloride units (-CH₂CCL₂-).

(n)(m) "Spandex": a manufactured fiber in which the fiber-forming substance is a long chain synthetic polymer composed of at least 85% of segmented polyurethane.

(o)(n) "Vinyl": a manufactured finer in which the fiber-forming substance is any long chain synthetic polymer composed of at least 50% by weight of vinyl alcohol units (-CH₂-CHOH-), and in which the total of the vinyl alcohol units and any one or more of the various acetal units is at least 85% by weight of the fiber.

 $\underline{(p)(e)}$ "Vinyon": a manufactured fiber in which the fiber-forming substance is any long chain synthetic polymer composed of at least 85% by weight of vinyl chloride units (-CH₂-CHCL-).

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>11441247</u>. <u>Terms and Definitions of Vegetable Fibers</u>. [relocated from Section 1247, Article 8; retitles and renumbers this section with no other changes to text]

The following terms shall be stated on the law label when applicable in addition to other labeling nomenclature required by these regulations for defining the chemical composition of natural fibers.

- (a) "Buckwheat hulls" shall mean the outer shell covering of the buckwheat seed (fagopyrum).
- (b) "Cellulose Fiber" shall mean wood or other vegetable growth reduced to a fibrous state.

- (c) "Coco Fiber or Coir Fiber" shall mean the stiff elastic fiber obtained from the outer husk of the coconut.
- (d) "Corrugated Fiber Board" shall mean the thick coarse paper, corrugated to give it elasticity.
- (e) "Excelsior" shall mean shredded threadlike wood fibers, but shall not include waste products such as shavings, sawdust, or similar waste.
- (f) "Flax Fiber" shall mean the fiber derived from the plant of the genus Lignum Usitatissimum raised primarily for fiber.
- (g) "Jute Fiber" shall mean the fiber derived from several species of the Corchorus plant.
- (h) "Kapok" shall mean the mass of fibers investing the seed of the kapok tree (Ceiba Pentandra).
- (i) "Milkweed Fiber" shall mean the surface fiber from the inside of the seed pods of milkweed plants (Asclepias).
- (j) "Moss" shall mean the processed fibers of epephytic plants forming pendant tufts from trees.
- (k) "Palm Fiber" shall mean the fibrous material obtained from the leaf of a palm, palmetto, or palmyra tree.
- (I) "Sisal Fiber" shall mean the leaf fiber derived from the Agave Sisalana and similar species of Agaves.
- (m) "Tula Fiber" shall mean the fiber derived from the Tula Istle and similar species of Agaves.

Note: Authority cited: Section 19034 and 19089, Business and Professions Code. Reference: Section 19080, 19081, 19088, 19089 and 19150, Business and Professions Code.

<u>1145</u>+1329. Definitions and Grades of <u>"Latex Foam"</u>. [relocated from Section 1329, Article 11; retitles and renumbers this section with no other changes to text]

(a) Latex foam is used as a filling material in various bedding products including mattresses, futons, and bed pillows. The term "Latex Foam" or "Latex Foam Rubber" may be used interchangeably and shall mean filling material made from synthetic latex foam (polychloroprene), natural latex foam, reclaimed rubber or rubber-like materials or a mixture of the above. The cured foam shall consist of a network of open or interconnecting cells uniform in size and character. Latex foam may be used as a molded fill

containing an outer skin or as slabstock fill (sheets, strips or other specific shapes) cut to specific sizes and containing no skin. Latex foam rubbers may be either cored or solid.

- (b) The term "first quality" may be used in conjunction with the terms latex foam or latex foam rubber provided the foam does not exceed a minor level of physical defects such as a surface or internal voids of up to one inch, loose skin up to 16 square inches, foreign materials up to 1/8 inch in diameter, shrinkage marks up to 1/8 inch in depth, pock marks or pour patterns up to 1/8 inch in depth.
- (c) Irregular Latex Foam or Irregular Latex Foam Rubber shall mean any foam which has a moderate level of physical defects, such as surface or internal voids 1 to 3 inches deep, 16 to 32 square inches of loose skin, foreign materials 1/8 to 1/4 inch in diameter, shrinkage marks between 1/8 and 1/4 inch in depth, pock marks or pour patterns 1/8 to 1/4 inch in depth.

Labeling example: Irregular Latex Foam Rubber

(d) Scrap Latex Foam or Scrap Latex Foam Rubber shall mean any foam which contains an excessive amount of physical defects such as surface or internal voids exceeding 3 inches, loose skin over 32 square inches, foreign materials over 1/4 inch in diameter, shrinkage marks over 1/4 inch in depth, pock marks or pour patterns over 1/4 inch in depth, and also means any latex foam product consisting of loose pieces of latex foam or assembled loose pieces of latex foam (excluding assembly of the molded half sections).

Note: Authority cited: Sections 19034, 19089 and 19150, Business and Professions Code. Reference: Sections 19081, 19085, 19088, 19089 and 19150, Business and Professions Code.

<u>1146</u>1330. Physical Requirements of <u>"Latex Foam"</u>. [relocated from Section 1330, Article 11; retitles and renumbers this section with no other changes to text]

Any latex foam which does not meet any one of the following minimum physical requirements shall be designated on the law label as "Scrap Latex Foam" or "Scrap Latex Foam Rubber."

- (a) Adhesive Bond. The bond shall be stronger than the adjoining foam when separated by hand. The seam shall not be noticeably hard when felt with the palm of the hand.
- (b) The latex foam shall be constructed of a single piece or, if used to construct a pillow insert, two molded half sections. Modifications which are designed to enhance a special feature of the product are acceptable when such modifications have been approved by the Bureau.

Note: Authority cited: Sections 19034, 19089 and 19150, Business and Professions Code. Reference: Sections 19081, 19085, 19088, 19089 and 19150, Business and Professions Code.

4. Amend Section 1251 Article 9 of Division 3 of Title 4 of the California Code of Regulations to read as follows:

1251. Methods of Sanitization.

- (a) Any method of sanitization not provided for herein shall be submitted to the Bureau for testing and consultation with the State Department of Public Health before adoption or use.
- (b) Unless otherwise specifically provided for, the chief of the bureau shall determine the method to be employed in the sanitization of any article or material subject to the provisions of the <u>Aact</u> and these regulations.
- (c) Secondhand (used) fabrics shall not contain any of the following adulterants: visible soiling or stains, extraneous materials, sludge, oil, grease, fat, filth, excreta, skin, epidermis, blood, urine, feces, disagreeable odors or other contamination.
- (d) Secondhand (used) materials which are contaminated shall be sanitized as set forth in Sections 1252 or 1253 of these regulations.
- (e) Mattresses containing a porous material or fabric may be sanitized by using the dry heat method in Section 1252 or the chemical disinfectant, Steri-fab, as set forth in Section 1253.
- (f) Baled filling materials shall not be sanitized while still in the bale.
- (g) Detachable mattresses and pads within hide-a-beds shall be removed from such articles and sanitized.

Note: Authority cited: Section 19034, Business and Professions Code. Reference: Sections 19120, 19121, 19123.6 and 19124, Business and Professions Code.

5. Amend Sections 1300 and 1316 of Article 10 of Division 3 of Title 4 of the California Code of Regulations to read as follows:

§ 1300. Application of Article.

For the purposes of Sections 19150 and 19210 of the <u>Aact</u>, false or misleading advertising includes but is not limited to advertising, within the meaning of Section 17500 et seq. of the Business and Professions Code, which violates any provision of this article.

1316. Secondhand Merchandise.

No article which is secondhand, as defined in the \underline{A} act, shall be advertised in any manner which represents or implies that the article is new.

Note: Authority cited: Sections 19034 and 19088, Business and Professions Code. Reference: Sections 19008, 19008.5, 19008.6 and 19150, Business and Professions Code.





AB 366 - Ignition Interlock Devices

Existing law governing ignition interlock devices (IID) authorizes a court to order a person convicted of driving under the influence of alcohol to install an IID on the vehicle they operate for a specified time. Currently, it is within a court's discretion to determine whether to impose this requirement. This law is operative until January 1, 2026.

AB 366 (Petrie-Norris and Ransom, 2025) would remove the court's discretion and, instead, mandate the court to order the installation of an IID, including upon a first conviction of driving under the influence. This extension would impose a statemandated local program. AB 366 would also remove the operating date of January 1, 2026, and, instead, extend the law governing IID indefinitely.

Excerpts from
the Electronic and Appliance Repair Dealer Registration Law and
SB 366 (Petrie-Norris and Ransom, 2025)
Regarding Ignition Interlock Devices



State of California

BUSINESS AND PROFESSIONS CODE

Section 9807

- 9807. (a) Notwithstanding any other law, a service dealer licensed under this chapter and authorized to engage in the electronic repair industry, as defined in subdivision (p) of Section 9801, may install, calibrate, service, maintain, and monitor certified ignition interlock devices.
- (b) (1) The director may issue a citation to, or suspend, revoke, or place on probation the registration of, a service dealer who installs, calibrates, services, maintains, or monitors ignition interlock devices if the service dealer is not in compliance with subdivision (k) of Section 23575.3 of the Vehicle Code.
- (2) A service dealer shall provide to an individual receiving ignition interlock device services the information provided in subdivision (k) of Section 23575.3 of the Vehicle Code along with the contact telephone number of the bureau.
- (c) The bureau shall adopt regulations to implement this section consistent with the standards adopted by the Bureau of Automotive Repair and the Office of Traffic Safety under Section 9882.14.

(Amended by Stats. 2016, Ch. 783, Sec. 1. (SB 1046) Effective January 1, 2017.)

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1 (o) For the purposes of this section, "bypass" means either of the following:

- (1) Failure to take any random retest.
- (2) Failure to pass a random retest with a breath alcohol concentration not exceeding 0.03 percent breath alcohol concentration.
- (p) For purposes of this section, "random retest" means a breath test performed by the driver upon a certified ignition interlock device at random intervals after the initial engine startup breath test and while the vehicle's motor is running.
 - (q) This section shall become operative January 1, 2026.
 - SEC. 26. Section 23575.1 of the Vehicle Code is repealed.
- 23575.1. The department may undertake a study and report its findings of that study to the Legislature on or before January 1, 2013, regarding the overall effectiveness of the use of ignition interlock devices (IID) to reduce the recidivism rate of first-time violators of Section 23152 or 23153. If the department exercises this authority, the study shall focus on those drivers who actually have an IID installed in their vehicles rather than on those who are subject to a judicial order to have an IID installed.
- SEC. 27. Section 23575.3 of the Vehicle Code is amended to read:
- 23575.3. (a) In addition to any other requirement imposed by law, a court shall notify a person convicted of a violation listed in subdivision (h) that he or she is they are required to install a functioning, certified ignition interlock device on any vehicle that the person operates and that he or she is they are prohibited from operating a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device in accordance with this section.
- (b) The Department of Motor Vehicles, upon receipt of the court's abstract of conviction for a violation listed in subdivision (h), shall inform the convicted person of the requirements of this section, including the term for which the person is required to have a certified ignition interlock device installed. The records of the department shall reflect the mandatory use of the device for the term required and the time when the device is required to be installed by this code.

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(c) The department shall advise the person that installation of a functioning, certified ignition interlock device on a vehicle does not allow the person to drive without a valid driver's license.

- (d) (1) A person who is notified by the department pursuant to subdivision (b) shall do all of the following:
- (A) Arrange for each vehicle operated by the person to be equipped with a functioning, certified ignition interlock device by a certified ignition interlock device provider under Section 13386.
- (B) Provide to the department proof of installation by submitting the "Verification of Installation" form described in paragraph (2) of subdivision (g) of Section 13386.
- (C) Pay a fee, determined by the department, that is sufficient to cover the costs of administration of this section.
- (2) A person who is notified by the department pursuant to subdivision (b), is exempt from the requirements of this subdivision until the time he or she the person purchases or has access to a vehicle if, within 30 days of the notification, the person certifies to the department all of the following:
 - (A) The person does not own a vehicle.

- (B) The person does not have access to a vehicle at his or her their residence.
- (C) The person no longer has access to the vehicle he or she was they were driving at the time he or she was they were arrested for a violation that subsequently resulted in a conviction for a violation listed in subdivision (h).
- (D) The person acknowledges that he or she is they are only allowed to drive a vehicle that is equipped with a functioning, certified ignition interlock device.
- (E) The person acknowledges that he or she is they are required to have a valid driver's license before he or she they can drive.
- (F) The person acknowledges that he or she is they are subject to the requirements of this section when he or she the person purchases or has access to a vehicle.
- (e) In addition to any other restrictions the department places on the driver's license record of the convicted person when the person is issued a restricted driver's license pursuant to Section 13352 or 13352.4, the department shall place a restriction on the driver's license record of the person that states the driver is restricted to driving only vehicles equipped with a functioning, certified ignition interlock device for the applicable term.

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(f) (1) A person who is notified by the department pursuant to subdivision (b) shall arrange for each vehicle with a functioning, certified ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate and monitor the operation of the device.

- (2) The installer shall notify the department if the device is removed or indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device.
- (g) The department shall monitor the installation and maintenance of the ignition interlock device installed pursuant to subdivision (d).
- (h) A person is required to install a functioning, certified ignition interlock device pursuant to this section for the applicable term, as follows:
- (1) A person convicted of a violation of subdivision (a), (b), (d), (e), or (g) of Section 23152 shall be required to do the following, as applicable:
- (A) Upon a conviction with no priors, punishable under Section 23536, only one of the following may occur:
- (i) The court may the court shall order installation of a functioning, certified ignition interlock device on any vehicle that the person operates and prohibit that person from operating a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device. If the court orders the ignition interlock device restriction, the The term shall be determined by the court for a period not to exceed six months from the date of conviction. The court shall notify the department of the conviction as specified in subdivision (a) of Section 1803 or Section 1816, and shall specify the terms of the ignition interlock device restriction in accordance with subdivision (a) of Section 1804. The department shall place the restriction on the driver's license record of the person that states the driver is restricted to driving only vehicles equipped with a functioning, certified ignition interlock device for the applicable term.
- (ii) The person may apply to the department for a restriction of the driving privilege under Section 13352.4.

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(iii) The person may apply to the department for a restriction of the driving privilege under paragraph (1) of subdivision (a) of Section 13352 or subdivision (e) of Section 13352.1.

- (B) Upon a conviction with one prior, punishable under Section 23540, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 12 months.
- (C) Upon a conviction with two priors, punishable under Section 23546, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 24 months.
- (D) Upon a conviction with three or more priors punishable under Section 23550, or a conviction punishable under Section 23550.5, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 36 months.
- (2) A person convicted of a violation of subdivision (a), (b), (d), (e), or (g) of Section 23153 shall install a functioning, certified ignition interlock device, as follows:
- (A) Upon a conviction with no priors, punishable under Section 23554, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 12 months.
- (B) Upon a conviction with one prior, punishable under Section 23560, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 24 months.
- (C) Upon a conviction with two priors, punishable under Section 23550 or 23566, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 36 months.
- (D) Upon a conviction with one prior punishable under Section 23550.5, the person shall install a functioning, certified ignition interlock device in the vehicle, as ordered by the court, that is operated by that person for a mandatory term of 48 months.
- (3) For the purposes of paragraphs (1) and (2), "prior" means a conviction for a separate violation of Section 23103, as specified in Section 23103.5, or Section 23152 or 23153, subdivision (a) or (b) of Section 191.5 of, or subdivision (a) of Section 192.5 of, the Penal Code, or subdivision (b), (c), (d), (e), or (f) of Section 655

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of the Harbors and Navigation Code, that occurred within 10 years of the current violation.

- (4) The terms prescribed in this subdivision shall begin once a person has complied with subparagraph (B) of paragraph (1) of subdivision (d) and either upon the reinstatement of the privilege to drive pursuant to Section 13352 or the issuance of a restricted driver's license pursuant to Section 13352. A person shall receive credit for any period in which he or she they had a restricted driver's license issued pursuant to Section 13353.6 or 13353.75.
- (i) Subdivisions (g), (h), (j), and (k) of Section 23575 apply to this section.
- (j) If a person fails to comply with any of the requirements regarding ignition interlock devices, the period in which the person was not in compliance shall not be credited towards the mandatory term for which the ignition interlock device is required to be installed.
- (k) (1) Every manufacturer and manufacturer's agent certified by the department to provide ignition interlock devices, under Section 13386, shall adopt the following fee schedule that provides for the payment of the costs of the certified ignition interlock device by offenders subject to this chapter in amounts commensurate with that person's income relative to the federal poverty level, as defined in Section 127400 of the Health and Safety Code:
- (A) A person with an income at 100 percent of the federal poverty level or below and who provides income verification pursuant to paragraph (2) is responsible for 10 percent of the cost of the manufacturer's standard ignition interlock device program costs, and any additional costs accrued by the person for noncompliance with program requirements.
- (B) A person with an income at 101 to 200 percent of the federal poverty level and who provides income verification pursuant to paragraph (2) is responsible for 25 percent of the cost of the manufacturer's standard ignition interlock device program costs, and any additional costs accrued by the person for noncompliance with program requirements.
- (C) A person with an income at 201 to 300 percent of the federal poverty level and who provides income verification pursuant to paragraph (2) is responsible for 50 percent of the cost of the manufacturer's standard ignition interlock device program costs,

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and any additional costs accrued by the person for noncompliance with program requirements.

- (D) A person who is receiving CalFresh benefits and who provides proof of those benefits to the manufacturer or manufacturer's agent or authorized installer is responsible for 50 percent of the cost of the manufacturer's standard ignition interlock device program costs, and any additional costs accrued by the person for noncompliance with program requirements.
- (E) A person with an income at 301 to 400 percent of the federal poverty level and who provides income verification pursuant to paragraph (2) is responsible for 90 percent of the cost of the manufacturer's standard ignition interlock device program costs, and any additional costs accrued by the person for noncompliance with program requirements.
- (F) All other offenders are responsible for 100 percent of the cost of the ignition interlock device.
- (G) The manufacturer is responsible for the percentage of costs that the offender is not responsible for pursuant to subparagraphs (A) to (E), inclusive.
- (2) The ignition interlock device provider shall verify the offender's income to determine the cost of the ignition interlock device pursuant to this subdivision by verifying one of the following documents from the offender:
 - (A) The previous year's federal income tax return.
- (B) The previous three months of weekly or monthly income statements.
- (C) Employment Development Department verification of unemployment benefits.
- (1) The Department of Consumer Affairs may impose a civil assessment not to exceed one thousand dollars (\$1,000) upon a manufacturer or manufacturer's agent certified to provide ignition interlock devices who fails to inform an offender subject to this chapter of the provisions of subdivision (k), or who fails to comply with the provisions of subdivision (k).
- (m) This section does not permit a person to drive without a valid driver's license.
- (n) The requirements of this section are in addition to any other requirements of law.
- 39 (o) For the purposes of this section, the following definitions 40 apply:

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1 (1) "Bypass" means either of the following:

- (A) Failure to take any random retest.
- (B) Failure to pass a random retest with a breath alcohol concentration not exceeding 0.03 percent, by weight of alcohol, in the person's blood.
- (2) "Operates" includes operating a vehicle that is not owned by the person subject to this section.
- (3) "Owned" means solely owned or owned in conjunction with another person or legal entity.
- (4) "Random retest" means a breath test performed by the driver upon a certified ignition interlock device at random intervals after the initial engine startup breath test and while the vehicle's motor is running.
- (5) "Vehicle" does not include a motorcycle until the state certifies an ignition interlock device that can be installed on a motorcycle. A person subject to an ignition interlock device restriction shall not operate a motorcycle for the duration of the ignition interlock device restriction period.
- (p) The requirements of this section shall apply only to a person who is convicted for a violation of Section 23152 or 23153 that occurred on or after January 1, 2019.
 - (q) This section shall become operative on January 1, 2019.
- (r) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2026, deletes or extends that date.
 - SEC. 28. Section 23575.5 of the Vehicle Code is repealed.
- 23575.5. (a) On or before March 1, 2024, the Department of Motor Vehicles shall report data to the Transportation Agency regarding the implementation and efficacy of the program enacted by the act that added this section.
- (b) The data described in subdivision (a) shall, at a minimum, include all of the following:
- (1) The number of individuals who were required to have a functioning, certified ignition interlock device installed as a result of the program who killed or injured anyone in a crash while they were operating a vehicle under the influence of alcohol.
- (2) The number of individuals who were required to have a functioning, certified ignition interlock device installed as a result of the program who were convicted of an alcohol-related violation of Section 23103, as specified in Section 23103.5, or Section