



INDUSTRY ADVISORY 19-01

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## 2018 Legislative Update

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The **Bureau of Household Goods and Services** is providing a summary of laws enacted January 1, 2019, that impact the Bureau or its licensees. These summaries are intended to assist licensees in understanding new requirements, but are not comprehensive. Please refer to each bill for a complete picture of its impact to your industry.

### **SB 1483 (Hill, Chapter 578, Statutes of 2018)**

This bill renames the Bureau of Electronic and Appliance Repair, Home Furnishings, and Thermal Insulation to the **Bureau of Household Goods and Services**. In addition, this bill sets the Legislature's next review as if the powers and duties of the Bureau were to expire on January 1, 2023. In addition, this bill makes several changes that impact licensees. All amendments are effective January 1, 2019, unless otherwise specified. Amended sections of the Business and Professions Code (BPC) are in parenthesis.

#### ELECTRONIC AND APPLIANCE REPAIR SERVICE DEALERS

- This bill allows service dealer licensees to issue invoices and written estimates to customers in electronic format (BPC §§9842 and 9844); and
- Requires service dealers who issue invoices in electronic format to retain those records for three years (BPC §9842).

#### SERVICE CONTRACTORS

- Effective January 1, 2020, this bill defines “consumer goods” and extends the Bureau’s jurisdiction to include service contracts for all consumer goods other than vehicles (BPC §§9855(a) and 9855(j));
- Requires documents incorporated by reference to be filed with the Bureau with the contract form Bureau 30 days prior to the contract’s use (BPC §9855.3(a)(1));
- Requires service contracts to include unique form numbers and the date of revision (BPC §9855.3(a)(3)); and
- Extends the Bureau's authority to regulate service contractors to January 1, 2023 (BPC 9855.9).

#### CUSTOM UPHOLSTERERS

- Allows custom upholsterer licensees to provide customers with written estimates and work orders in electronic format (BPC §§19162 and 19163); and
- Requires custom upholsterers to retain work orders provided in electronic format for one year (BPC §19163).

### AB 2998 (Bloom, Chapter 924, Statutes of 2018)

This bill prohibits the sale and distribution of juvenile products, upholstered furniture, foam used in mattresses, as well as the use of new components of reupholstered furniture (collectively referred to as covered products) that contain specified flame-retardant chemicals at levels above 1,000 parts per million. As this bill implements a new flame retardant chemical content standard, there are many impacts to the Bureau and licensees, several of which are highlighted. All provisions are effective January 1, 2020, unless otherwise specified. Each corresponding new section of the Business and Professions Code is in parenthesis.

#### CUSTOM UPHOLSTERERS

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- This bill prohibits custom upholsterers from using replacement components that contain flame-retardant chemicals at levels above 1,000 parts per million (BPC §19101(b)).

#### MANUFACTURERS

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- This bill subjects manufacturers that sell or distribute a covered product in violation of the flame retardant chemical restriction to fines of \$1,000-\$10,000 (BPC §19103(b)(2)(A)); and
- Requires producers of new mattress registered with the Bureau as of January 1, 2019, and thereafter, to respond to surveys required by this bill to be conducted by the International Sleep Products Association (BPC §19104(b)).

#### INTERNATIONAL SLEEP PRODUCTS ASSOCIATION (ISPA) REQUIREMENTS

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- This bill requires ISPA to conduct a survey of all mattress producers to report materials and methods used to meet flammability standards (BPC §19104(a)); and
- Requires ISPA to submit results of the survey, including a list of mattress producers that fail to respond, to the Bureau no later than January 31, 2020, and every three years thereafter (BPC §19104(a)).

#### BUREAU OF HOUSEHOLD GOODS AND SERVICES

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- This bill requires the Bureau to extend testing required by [SB 1019 \(Leno, Chapter 862, Statutes of 2014\)](#) to covered products to determine the presence of flame retardant chemicals in excess of 1,000 parts per million (BPC §19103(b)(1));
- Authorizes the Bureau to assess a fine of \$1,000-\$10,000 to any manufacturer that sells or distributes a covered product that testing shows is in violation of the flame retardant chemical restriction (BPC §§19103(b)(2)(A) and 19103(c));
- Requires the Bureau to post a list of covered products that testing shows are in violation of the flame retardant chemical content limit (BPC §19103(b)(2)(B));
- Authorizes the Bureau to fine of \$1,000-\$10,000 to any person for continued sale or distribution of covered products in the same stock keeping unit as products identified as in violation of the flame retardant chemical content limit by the Bureau on its website (BPC §§19103(b)(2)(B) and 19103(c)).
- Requires the Bureau to receive complaints regarding possible violations of covered products regulated by this bill (BPC §19103(f)); and
- Requires the Bureau to post the ISPA survey reports, including the list of non-respondents, on its website (BPC §19104(c)).

**Assembly Bill 2138 (Chapter 995, Statutes of 2018)**

This bill impacts every program within the Department of Consumer Affairs (Department). Effective July 1, 2020, this bill changes the criteria used by programs when determining if a license will be denied for committing a crime. Specifically, this bill:

- Applies a seven-year limit on a license denial based on conviction of a crime substantially related to the qualifications, functions, or duties of the license (BPC §480(a)(1)), unless the applicant was convicted of a serious felony (BPC §480(a)(1)(A));
- Prohibits license denial if the applicant was pardoned, the conviction was dismissed or expunged, or the arrest resulted in anything other than a conviction (BPC §§480(b) 480(c), and 480(d));
- Authorizes specified programs, including the Bureau, to require applicants to disclose criminal history on applications for licensure (BPC §480(f)(1)); and
- Requires programs to annually submit to the Legislature reports containing specified data about applicants with criminal backgrounds and make that data publicly available on the Bureau's website (BPC §480(g)(3)).