

**TITLE 16 California Architects Board
DEPARTMENT OF CONSUMER AFFAIRS**

INITIAL STATEMENT OF REASONS

Hearing Date: The California Architects Board has not scheduled a hearing on the proposed changes.

Subject Matter of Proposed Regulations: License Certification Fee

Section(s) Affected: Section 144 Article 7 of Division 2 of Title 16 of the California Code of Regulations (CCR)

Background and Statement of the Problem:

The California Architects Board (The Board) was created in 1901 by the California State Legislature. The Board licenses, regulates, and investigates complaints against architects in California, totaling approximately 22,000 licensees. It is the Board's duty to enforce and administer the Architects Practice Act, (Business & Professions Code (BPC) Chapter 3 (commencing with section 5500) of Division 3 (Act)). The Board is authorized to establish necessary rules and regulations for the enforcement of the Act and the laws subject to its jurisdiction (BPC section 5526). The Board is responsible for the discipline of architects and enforcement of the Architects Practice Act (Act) (Business and Professions Code (BPC) section 5500 et seq.). BPC section 5510.15 mandates that the protection of the public shall be the highest priority of the Board in its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with the other interests sought to be promoted, the protection of the public shall be paramount.

BPC section 5526 authorizes the Board, in accordance with the Administrative Procedure Act (APA) (Government Code (Gov. Code) section 11400 et seq.), to adopt, amend, or repeal rules and regulations that are reasonably necessary to carry out the provisions under the Act. Gov. Code section 11425.50, subdivision (e), provides that a penalty in an administrative disciplinary action may not be based on a guideline, criterion, bulletin, manual, instruction, order, standard of general application, or other rule unless it has been adopted as a regulation in accordance with the APA.

The Board's funding is classified as special funds, and as such the Board's revenues and expenditures are generated from regulating the profession. Pursuant to Business and Professions Code sections 5526 and 5604, the Board has the statutory authority to collect fees to carry out its consumer protection mandate and support the functions of the Board. The fees of the Board are required to be sufficient to support the functions or operational needs of the Board. The State of California State Administrative Manual (SAM), section 9210, provides that it is state policy for departments to recover full costs whenever goods or services are provided to others. Section 9210 of the SAM specifies

that full costs include “all costs attributable directly to the activity plus a fair share of indirect costs which can be ascribed reasonably to the good or service provided.”

In 2024, the Board identified services it provided where costs were not being adequately recouped. Therefore, as part of Senate Bill 1452 (“SB 1452” – Chapter 486 of the Statutes of 2024) BPC 5604 was modified to authorize the Board to charge a fee for license certifications. When licensees seek to obtain a license in another jurisdiction, they are often required to obtain a certification of examination scores, licensure history, enforcement actions, and in some instances a complete history of licensure renewals and their timeliness. The Board has been providing this service and sending the report to the requested jurisdiction at no cost to the requestor. The Board worked with the Department of Consumer Affairs Budget Office to complete a fee study related to license certifications and identify an appropriate cost for this service.

The Board’s fees regulation, 16 CCR section 144, was created to specify the fees that the Board was allowed to charge pursuant to BPC 5604. Currently, the Board does not have a fee specified for the completion and distribution of license certifications. This proposal is necessary to ensure the Board continues its consumer protection mandate and recovers costs for the services it provides.

Anticipated benefits from this regulatory action:

This proposal will establish a fee for the Board to recoup its expenses for the completion and submittal of a license certification, which will assist in the Board’s continuance of regulating the profession of architecture while aligning with the State Administrative Manual section 9210.

Specific purpose of, and rationale for, each adoption, amendment, or repeal:

1. Add 16 CCR section 144, subsection (i)

Purpose: Adds subsection (i) which states “The fee for a license certification prepared by the Board is forty dollars (\$40).”

Anticipated Benefit/Rationale: The fees specified would cover the staff time required to complete and distribute a license certification. Listing the fee clarifies to licensees and staff the required fee for this service to be provided.

Underlying Data

1. February 22, 2024 Board Meeting Agenda, Relevant Materials, and Minutes
2. February 20, 2025 Board Meeting Agenda, Relevant Materials, and Minutes

Business Impact:

The Board has made the initial determination that the proposed regulations will not have a significant statewide adverse economic impact on businesses, including the ability to compete with other businesses in California. This initial determination is based on the following facts:

The proposal will establish a license certification fee of \$40, which is considered to be minor compared to the income of most licensees in the profession. The fee is charged per certification completed, which only would occur when a licensee is seeking licensure outside of California. The fee is collected from individual licensees according to current law.

Economic Impact Assessment:

This regulatory proposal will have the following effects:

It will not create or eliminate jobs within the State of California because it only clarifies examination requirements, providing consistency with current law.

It will not create new business or eliminate existing businesses within the State of California because it only applies to individuals who are seeking licensure outside the state.

It will not affect the expansion of businesses currently doing business within the State of California because it only applies to individuals who are seeking licensure outside the state.

This regulatory proposal will ensure the Board receives funding for services it provides which will assist the Board's continued sustainability and continued license regulation, which will benefit the health and welfare of Californians.

This regulatory proposal does not affect worker safety because it does not involve worker safety.

This regulatory proposal does not affect the state's environment because it does not involve the environment.

This proposal will establish a fee of \$40 per individual. The Board estimates approximately 366 individuals will seek license certification per year, which results in annual costs of approximately \$14,640 and up to \$146,400 over a ten-year period.

Specific Technologies or Equipment:

This regulation does not mandate the use of specific technologies or equipment.

Fiscal Impact Assessment

This proposal will establish a fee of \$40 per individual. The Board estimates approximately 366 individuals will seek license certification per year, which results in annual costs of approximately \$14,640 and up to \$146,400 over a ten-year period. Since the Board already performs the workload associated with these services, the Board does not anticipate any additional workload or costs to implement the proposed regulations.

The regulations do not result in costs or savings in federal funding to the state.

Consideration of Alternatives:

The Board has made an initial determination that no reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Description of reasonable alternatives to the regulation that would lessen any adverse impact on small business:

No such alternatives have been proposed, however, the Board welcomes comments from the public.