

TITLE 16
DIVISION 24. COURT REPORTERS BOARD OF CALIFORNIA
NOTICE OF PROPOSED REGULATORY ACTION CONCERNING

Fee Schedule, § 2450
California Code of Regulations (CCR)

NOTICE IS HEREBY GIVEN that the Court Reporters Board (Board or CRB) is proposing to take the rulemaking action described below under the heading Informative Digest/Policy Statement Overview. Any person interested may present statements or arguments relevant to the action proposed in writing. Written comments, including those sent by mail, facsimile, or e-mail to the addresses listed under Contact Person in this Notice, must be received by the Board at its office on **Tuesday, May 31, 2022, by 5:00 p.m.**

The Board has not scheduled a public hearing on this proposed action. The Board will, however, hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days prior to the close of the written comment period.

The Board may, after considering all timely and relevant comments, adopt the proposed regulations substantially as described in this notice, or may modify the proposed regulations if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as the contact person and will be mailed to those persons who submit written or oral testimony related to this proposal or who have requested notification of any changes to the proposal.

AUTHORITY AND REFERENCE

Pursuant to the authority vested by Business and Professions Code (BPC) sections 8007, 8008, and 8047, and to implement, interpret or make specific BPC section 163.5, 8031, and 8051, the Board is considering amendments to section 2450 of Division 24 of Title 16 of the CCR.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The Board enforces the Shorthand Reporters Practice Act and oversees the court reporting industry. The CRB carries out its regulatory authority through administering a minimum level competency test to determine entry level abilities, regulating the minimum curriculum court reporting schools and programs must offer, and disciplining licensees when necessary. The Board certifies individual court reporters, and beginning July 1, 2022, it is required to register firms that offer court reporting services.

The Board is authorized to charge fees to accomplish its mandates pursuant to BPC section 8008(c).

This proposal would:

Amend Section 2450 of Title 16 of the CCR.

Existing law at BPC section 8051 provides that, on and after July 1, 2022, an entity that is not a shorthand reporting corporation may, wherever incorporated in the United States, engage in court reporting and other conduct described in BPC section 8050(b) if the Board approves it for registration. Section 8050 requires the Board to register firms offering court reporting services in California, including setting the fee for application and renewal. BPC section 8051(l) authorizes the Board to adopt regulations to implement section 8051. Section 8051(a)(1) requires the registering entity to pay an annual registration fee to the board, in an amount determined by the board, not to exceed five hundred dollars (\$500). The Board has adopted a fee in the maximum authorized amount of \$500 for the initial registration and annual renewal. This proposal will add subdivision (g) to Title 16, section 2450 to establish the amount in regulation.

ANTICIPATED BENEFITS OF PROPOSAL

The proposed addition of subdivision (g) to section 2450 will set the fee for application and renewal of firm registration as required by SB 241. Registration of firms will ensure consumers will be protected by hiring firms under the direct jurisdiction of the Board.

CONSISTENCY AND COMPATIBILITY WITH EXISTING STATE REGULATIONS

During the process of developing these regulations and amendments, the Board conducted a search of any similar regulations of these topics and concluded these regulations are neither inconsistent nor incompatible with existing state regulations.

FISCAL IMPACT ESTIMATES

The Board has made the following determinations:

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies:

The regulations establish a \$500 initial registration fee and a \$500 annual renewal registration fee to be paid to the Board, as specified. The Board estimates 10 entities will register in year-one and year-two of implementation and estimates 5 registrants per year thereafter.

The Board proposes to use an application requesting only the information set forth in BPC section 8051(b)(1)-(3). This will include the firm name; firm street address, city, state, zip code; telephone number; federal tax identification number; the name of designated certified reporter in charge; the license number of designated certified

reporter in charge; whether the entity, controlling officer or parent corporation of the entity, the entity's reporter in charge or any of its officers, employees, or independent contractors, has been subject to any enforcement action, relating to the provision of court reporting services, by a state or federal agency within five years before submitting the initial registration and if so the entity shall provide the board a copy of the operative complaint with the initial registration; and whether the entity, within five years before submitting the registration, has settled, or been adjudged to have liability for, a civil complaint alleging the entity or the entity's reporter in charge engaged in misconduct relating to the provision of court reporting services for more than fifty thousand dollars (\$50,000).

The Board indicates an initial application will require approximately 310 minutes (Office Technician – 115 minutes and Associate Governmental Program Analyst – 195 minutes) to process each initial application with costs of approximately \$513 each.

Renewal applications will require approximately 110 minutes (Office Technician – 40 minutes and Associate Governmental Program Analyst – 30 minutes) to process each renewal application, plus a \$532 estimated enforcement-related cost allocation, which results in total Board costs of \$632 per renewal registration.

Total workload costs are estimated to range from \$5,130 to \$37,875 and up to \$229,800 over a ten-year period.

The Board will also need to update its information technology systems with estimated one-time costs of \$55,000.

The Board estimates revenues ranging from \$5,000 to \$30,000 and up to \$185,000 over a ten-year period.

Local Mandate: None

Cost or Savings in Federal Funding to the State: None. This proposal will not result in a fiscal impact to the state in the form of federal funding

Nondiscretionary Costs/Savings to Local Agencies: None

Cost to Any Local Agency or School District for Which Government Code Sections 17500 - 17630 Require Reimbursement: None

Business Impact:

The Board has determined that this regulatory action will not have a significant statewide adverse economic impact affecting business. This determination is based on the fact that the establishment of a \$500 registration fee will not create or eliminate jobs, will not create new business or eliminate existing businesses, and will not affect the expansion of businesses currently doing business within the California because the

proposed regulations require businesses currently operating in the state to register with the Board and pay an annual \$500 registration fee. As these business entities are already operating in the state, no additional businesses and/or jobs are anticipated to be created.

The Board estimates 10 entities will register in year one and year two of implementation and estimates 5 registrants per year thereafter. The Board estimates revenues ranging from \$5,000 to \$30,000 and up to \$185,000 over a ten-year period.

Cost Impact on Representative Private Person or Business:

The regulations establish a \$500 initial registration fee and a \$500 annual renewal registration fee to be paid to the Board, as specified. The Board estimates 10 entities will register in year-one and year-two of implementation and estimates 5 registrants per year thereafter.

The Board estimates revenues ranging from \$5,000 to \$30,000 and up to \$185,000 over a ten-year period.

Effect on Housing Costs: None

EFFECT ON SMALL BUSINESS

The proposed regulations may affect small businesses as it is an additional cost of doing business.

RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS:

Impact on Jobs/Businesses:

The Board has determined that this regulatory action will not create or eliminate jobs, will not create new business or eliminate existing businesses, and will not affect the expansion of businesses currently doing business within the California because the proposed regulations require businesses currently operating in the state to register with the Board and pay an annual \$500 registration fee. As these business entities are already operating in the state, no additional businesses and/or jobs are anticipated to be created.

Benefits of Regulation:

The proposed addition of subdivision (g) to section 2450 will set the fee for application and renewal of firm registration as required by SB 241. Registration of firms will benefit the health and welfare of California residents by ensuring consumers will be protected by hiring firms under the direct jurisdiction of the Board.

The regulatory proposal does not affect worker safety or the state's environment.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5 (a)(13), the Board must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed regulatory action, or would be more cost-effective to the affected private persons and equally effective in implementing the statutory policy or other provision of the law.

Interested persons are invited to present statements or arguments in writing relevant to the above determinations during the written comment period.

CONTACT PERSON

Inquiries or comments concerning the proposed rulemaking action may be addressed to:

Name: Paula Bruning or Yvonne Fenner
Address: 2535 Capitol Oaks Drive, Suite 230
Sacramento, CA 95833
Telephone No.: (916) 263-3660
Fax No.: (916) 263-3664
E-Mail Address: Paula.bruning@dca.ca.gov; Yvonne.fenner@dca.ca.gov

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Board has compiled a record for this regulatory action, which includes the Initial Statement of Reasons (ISOR), proposed regulatory text, and all the information on which this proposal is based. This material is contained in the rulemaking file and is available for public inspection upon request to the contact persons named in this notice.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the Board may adopt the amendments as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that was noticed to the public. In the event that such modifications are made, the full regulatory text, with the modifications clearly indicated, will be made available to the public for review and or written comment at least 15 days before it is adopted. The public may request a copy of the modified regulatory text by contacting the Contact Person above.

AVAILABILITY OF FINAL STATEMENT OF REASONS

All the information upon which the proposed regulations are based is contained in the rulemaking file which is available for public inspection by requesting a copy from the contact person at the address above.

You may obtain a copy of the Final Statement of Reasons once it has been prepared, by making a written request to the contact person at the address above or by accessing the website listed below.

TEXT OF THE PROPOSAL

Copies of the exact language of the proposed regulations, and any document incorporated by reference, and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained upon request from the Board at 2535 Capitol Oaks Drive Suite 230, Sacramento, California 95833.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Actions, the Initial Statement of Reasons, and the text of the regulations can be accessed through the Board's website at <https://courtreportersboard.ca.gov/lawsregs/index.shtml>.