



the reexamination requirement.

*AB 1730 (Chandler)* would expand the definition of public accountancy to include bookkeeping, tax return preparation, financial planning, and management consulting when performed by a BOA licensee. Unlicensed persons who perform these services and do not hold themselves out to be licensees are not engaged in public accountancy. This bill is directed at service providers who do not have a license but call their work "accountancy" and hold themselves out to be licensed. The measure is pending in the Assembly Way and Means Committee.

*AB 2003 (Chacon)* is a spot bill sponsored by the Society of California Accountants (SCA) which would delete an obsolete provision regarding the use of the term "public accountant." The bill is currently pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

*AB 1496 (McCorquodale)* would permit payment to and acceptance of commissions by Board licensees in limited situations. Currently, section 5061 of the Business and Professions Code forbids any such payment to certified public accountants. This measure is sponsored by H.D. Vest, a Texas CPA firm, and is similar to bills pending in other states.

The National Association of State Boards of Accountancy has indicated support of this measure, and the Federal Trade Commission recently stated its position in favor of allowing commissions and contingency fees. (See CRLR Vol. 9, No. 1 (Winter 1989) p. 36 for background information.) The BOA and 45 other state boards oppose any change in the current hourly charge system, which they contend maintains "the hallmark of the profession of accountancy: objectivity and independence." This bill is pending in the Senate Rules Committee.

The following is a status update on bills discussed in detail in CRLR Vol. 9, No. 2 (Spring 1989) at page 43:

*AB 226 (Cortese)*, which would increase BOA's maximum licensing fees, passed the Assembly on April 13 and is pending in the Senate Business and Professions Committee.

*SB 465 (Montoya)* is another spot bill sponsored by SCA which at this time changes existing legislation on appeal procedures to gender-neutral language. This bill is pending in the Senate Rules Committee.

*AB 1336 (Eastin)*, which would amend the Board's continuing education requirements, passed the Assembly on June 1 and is awaiting assignment to a policy committee in the Senate at this

writing. This is a spot bill which may be amended depending on the final outcome of *Moore v. California State Board of Accountancy* (see *infra* LITIGATION; see also CRLR Vol. 9, No. 1 (Winter 1989) p. 37 for background information.)

## LITIGATION:

On May 8, the final order was issued in *Moore v. California State Board of Accountancy*, No. 863037 (San Francisco Superior Court). (See CRLR Vol. 9, No. 1 (Winter 1989) p. 37 and Vol. 8, No. 2 (Spring 1988) p. 40 for discussion of this case.) The order enjoins plaintiffs Bonnie Moore and members of the California Association of Independent Accountants (CAIA) who are not licensed as CPAs or PAs from practicing "public accountancy" or using the term "accountant" in their title or advertisements. The order does not prohibit such persons from preparing compilation, review, and audit reports unless the preparer uses the term or title "accountant." CAIA, a trade association of unlicensed practitioners, intends to file an appeal and a motion to stay the injunction, which was scheduled to become effective in July.

## RECENT MEETINGS:

At its March meeting in Los Angeles, the Board met in closed session pursuant to Government Code section 11126(d) to discuss pending disciplinary action against several licensees and the KMG Main Hurdman determination. (See CRLR Vol. 8, No. 4 (Fall 1988) p. 41 for background information.) The matter has been remanded to Administrative Law Judge Ruth Astle for further evidence and testimony.

## FUTURE MEETINGS:

September 22-23 in San Francisco.  
November 17-18 in Palm Springs.

## BOARD OF ARCHITECTURAL EXAMINERS

*Executive Officer: Stephen P. Sands (916) 445-3393*

The Board of Architectural Examiners (BAE) was established by the legislature in 1901. BAE establishes minimum levels of competency for licensed architects and regulates the practice of architecture. Duties of the Board include administration of the California Architect Licensing Exam (CALE) and enforcement of Board guidelines. BAE is a ten-member body evenly divided between public and professional membership.

Governor Deukmejian recently reappointed industry members Paul Neel and Lawrence Chaffin, Jr., to the Board. Their four-year terms began on June 1.

## MAJOR PROJECTS:

*Regulatory Changes.* On May 23, BAE held a hearing in Sacramento concerning proposed changes to its regulations, which appear in Chapter 2, Title 16 of the California Code of Regulations (CCR). The proposed changes are divided into two packages. The first package would change existing regulations which specify the requirements for registered building designers, who were regulated by the BAE between 1965 and 1985. In 1985, legislation was enacted requiring all registered building designers to be licensed as architects. (See CRLR Vol. 5, No. 4 (Fall 1985) p. 20 for background information.) The proposed changes to regulatory sections 104, 110, and 110.1, and the repeal of sections 145 and 146 would delete all references to registered building designers in the Board's regulations, as that term is no longer applicable or valid.

The second package would amend existing regulations which currently specify the eligibility requirements and transition policies for taking the CALE. Proposed amendments to sections 109, 116, 119, 119.5, 121, 123, 125, and 144 of BAE's regulations would delete all reference to the CALE, would provide for the administration of the National Council of Architectural Registration Board's (NCARB) examination beginning in 1990, and would specify that the filing deadline for a December examination is September 1 of each year. (See CRLR Vol. 9, No. 2 (Spring 1989) pp. 44-45 for detailed background information on the Board's administration of the CALE and NCARB exams.)

Since no public comment was offered at the May hearing, the regulatory changes were scheduled for approval by the Board at its June 15 meeting in Sacramento.

## LEGISLATION:

*AB 1789 (Cortese)* would give architects, engineers, and land surveyors a design professional's lien on real property for which a work of improvement is planned and for which a specified governmental approval is obtained, in the amount of the contract fee earned, pursuant to a written contract with the landowner for design, engineering, or planning services for a prospective improvement to the real property prior to the commencement of the work of im-



# REGULATORY AGENCY ACTION

provement. This bill is pending in the Assembly Judiciary Committee.

*AB 459 (Frizzelle)* would provide that a licensed individual may renew his/her license at any time after its expiration without limitation as to time, and without the requirement of reexamination, upon payment of any applicable fees and satisfaction of continuing education requirements. The Board opposes this bill, which has become a two-year bill.

The following is a status update on measures discussed in CRLR Vol. 9, No. 2 (Spring 1989) at page 45:

*AB 1005 (Frazee)*, which would require an architect to affix a stamp bearing the architect's name, license number, the term "licensed architect", and the renewal date of the license on plans, has passed the Assembly and is pending in the Senate Business and Professions Committee.

*AB 1158 (Bradley)*, an act to repeal section 5551.1 of the Business and Professions Code regarding reciprocity for architects licensed in other states, is pending in the Senate Business and Professions Committee at this writing.

## FUTURE MEETINGS:

To be announced.

## ATHLETIC COMMISSION

*Executive Officer: Ken Gray*  
(916) 920-7300

The Athletic Commission regulates amateur and professional boxing, contact karate, and professional wrestling. The Commission consists of eight members each serving four-year terms. All eight seats are "public" as opposed to industry representatives.

The current Commission members are Bill Malkasian, Raoul Silva, Roosevelt Grier, P.B. Montemayor, M.D., Jerry Nathanson, Thomas Thaxter, M.D., Charles Westlund, and Robert Wilson.

The Commission is constitutionally authorized and has sweeping powers to license and discipline those within its jurisdiction. The Commission licenses promoters, booking agents, matchmakers, referees, judges, managers, boxers, martial arts competitors, and wrestlers. The Commission places primary emphasis on boxing, where regulation extends beyond licensing and includes the establishment of equipment, weight, and medical requirements. Further, the Commission's power to regulate boxing extends to the separate approval of each contest to preclude mismatches. Commission inspect-

ors attend all professional boxing contests.

## MAJOR PROJECTS:

*Policies and Procedures Manual.* At its March 17 meeting, the Commission discussed Executive Officer Ken Gray's initiation of a policies and procedures manual. The manual will include all policy decisions adopted by the Commission, and all administrative policies developed by the staff. Additionally, the manual will include policies or procedures mandated by the Department of Consumer Affairs (DCA) or other departments.

The Commission decided to maintain two policies and procedure manual binders in its Los Angeles office, and one in its Sacramento office. At the March 17 meeting, each Commissioner was asked to add to a list of policies and procedures which should be included in the manual.

*Deficiency Augmentation Request.* On February 16, the Commission submitted a deficiency augmentation request to the DCA. The \$91,000 request is to cover the anticipated funding shortage for the Professional Boxer's Neurological Examination Program. The Commission had been allocated \$170,000 for the program in fiscal year 1988-89.

The Commission specified three reasons for the anticipated shortage: an increase in the number of boxers taking the examination; an increase in the number of boxers failing the examination (this results in increased costs due to mandatory neuro-psychological exams administered upon failure of the exam); and an increase in the number of boxers who fail to appear for the examinations (the Commission is billed by the examining physician for missed examinations).

At this writing, DCA has not yet taken action on the augmentation request.

*Proposed Regulatory Amendment.* At its March and April meetings, the Commission discussed a proposal to amend section 349, Title 4, California Code of Regulations. The amendment would prevent a boxer from being "saved by the bell." Specifically, the change would prevent a referee in the process of counting a boxer out from stopping his count when the bell indicating the end of a round (including the final round) is sounded. After discussion at the April meeting, the Commission decided not to adopt the proposed amendment.

*Draft Regulatory Changes.* At its March meeting, the Commission considered several draft regulatory changes. First, the Commission discussed draft language which would define when a crime or act is "substantially related" to

the qualifications, functions, or duties of promoters, managers, referees, and judges. The "substantial relationship" criteria must be adopted pursuant to section 481 of the Business and Professions Code and would be used for the purposes of denial, suspension, or revocation of licenses.

The proposed regulation enumerates two areas which are "substantially related": (a) conviction of a crime involving fiscal dishonesty or the abuse of a controlled substance; and (b) any violation of the provisions of Chapter 19, Division 3 of the Code. Moreover, the regulatory language is illustrative and does not limit itself to the two enumerated categories.

The Commission also examined proposed criteria for evaluating the rehabilitation of a person when considering the denial, suspension, or revocation of a license in accordance with Business and Professions Code sections 480-82. (See CRLR Vol. 9, No. 2 (Spring 1989) p. 46 for background information.) Under the proposed rehabilitation criteria to be applied when considering licensure denial, the Commission would take into account the nature and severity of the act or crime; evidence of any act or crime committed subsequent to the act or crime under consideration; the time elapsed since commission of the crime or act; the extent to which the applicant has complied with any terms of parole, probation, or restrictions; and any other evidence of rehabilitation submitted by the applicant.

The proposed rehabilitation criteria to be applied when considering the suspension or revocation of a license are virtually identical to the denial criteria. However, the Commission would also consider a person's "total criminal record" and any evidence of an expungement proceeding pursuant to section 1203.4 of the California Penal Code.

At its March meeting, the Commission approved the draft language of the proposed regulations; at this writing, formal rulemaking procedures have not yet commenced.

## LEGISLATION:

*AB 112 (Floyd)* would require the Commission to adopt regulations detailing the criteria for approval of the physicians assigned to attend any boxing contest. The Commission has taken a neutral position on the bill. However, the DCA opposes the bill as unnecessary. DCA believes that the existing requirement (three years' experience in the practice of medicine) is sufficient. AB 112