



its administrative committees authority to impose additional continuing education requirements when warranted.

Finally, the last goal of the Board is to provide sanctions against licensees who have violated regulations. BOA's objective is to promulgate regulations for issuing fines and citations by May 1989. (See *supra* discussion on regulatory changes.) Also, the Board seeks to develop written guidelines for conducting formal and informal hearings before its administrative committees by September 1988.

## LEGISLATION:

**SB 2313 (Campbell)**, as amended April 14, would expand the definition of "public accountancy" to include persons who (1) keep books, make trial balances, or prepare statements, make audits, or prepare reports as part of client book-keeping operations; (2) prepare or sign tax returns as tax preparers; (3) prepare or provide personal financial or investment plans or services; or (4) provide management consultant services. The measure would only apply to such activities when they are performed by a CPA or PA and would not be applicable if such services are the only services provided, and the provider does not hold him/herself out to be a licensee. The measure has gone to the interim study at Senator Campbell's request.

**SB 1009 (Montoya)** would amend section 5100 of the Business and Professions Code to include acceptance of a commission or payment for the referral or sale of any product or service to or on behalf of a client as grounds for disciplinary action by the Board. The bill would define the term "commission" to mean any payment that is usually, but not limited to, a measurement by a percentage of the value of a product or service rendered. SB 1009 was scheduled for a June 28 Assembly vote.

**SB 422 (Montoya)** would state that provisions of law regulating the practice of accountancy do not prohibit an unlicensed person from attaching a transmittal letter to financial statements under specified conditions. The bill would also revise existing law by defining a "report" for purposes of provisions regarding the preparation of financial statements, and including the preparation or certification of reports on reviews and compilations, as specified, in the definition of the practice of public accountancy. (See CRLR Vol. 8, No. 1 (Winter 1988) pp. 41-42 and Vol. 7, No. 3 (Summer 1987) p. 55 for background information.) This measure was to be

heard in the Assembly on June 28.

**SB 1824 (Rosenthal)** proposes to increase the maximum amount which the Board of Accountancy may pay a nonprofit organization controlled by licensees of the Board to provide volunteer accounting services. The current \$65,000-per-year limit would be increased to \$100,000 per year. SB 1824 passed the Senate on May 27.

**AB 3387 (Hughes)** was amended on April 26, deleting all language relating to financial and compliance audits. The measure is no longer relevant to the Board of Accountancy.

**AB 3417 (Hughes)** would require the State Controller to issue and maintain a list of ineligible and unacceptable auditors, based on specified criteria, and would prohibit school districts and county offices of education from using their audit services. Also, this bill would provide for withholding of audit fees, as specified, for audits not conforming to reporting provisions. The measure was placed on the consent calendar on May 27, following amendment on May 12.

**AB 3818 (Bader)** proposes to amend section 5027 of the Business and Professions Code. Under existing law, the Board is required to adopt regulations defining the basic requirements for continuing education of CPAs and PAs. As amended May 10, this bill would require the Board to establish regulations requiring a minimum of sixteen hours of qualifying continuing education in the area of governmental accountancy and auditing for any licensee who approves financial or compliance audit reports on governmental agencies. AB 3818 passed the Assembly on May 19.

**SB 2553 (Keene)** would add the title "qualified accountant" and the abbreviation "QA" to the existing prohibition against any person using a specified title or abbreviation which may likely be confused with "certified public accountant," "public accountant," "CPA," or "PA". A violation of existing law is a misdemeanor. SB 2553 has been pending in Senate Business and Professions since March 3.

**SB 91 (Boatwright)**, as amended January 11, would repeal the Tax Preparers Program, and instead enact the Tax Practitioner Program in the Franchise Tax Board. The bill remains in the Assembly Committee on Governmental Efficiency and Consumer Protection.

**SB 315 (Montoya)**, as introduced, would have amended the Civil Code to require financial planners, as defined, to be subject to the existing licensure requirements governing investment ad-

visers. As amended on May 17, the measure no longer contains such requirements. Instead, SB 315 would impose specified reporting requirements on financial planners. Enforcement of such requirements would be a civil matter. SB 315 is pending before the Assembly Committee on Finance and Insurance.

**SB 4537 (Cortese)** would define as grounds for disciplinary action the imposition of a fine or penalty, or the forfeiture of fees withheld according to law, by any state governmental body or agency for negligence in the practice of public accountancy. SB 4537 would also increase certain maximum examination and licensure fees. Finally, this bill would also require the Board on and after July 1, 1989, to fix the biennial renewal fee so that, together with specified other revenues, the reserve balance in the Board's contingent fund shall be equal to approximately six months of annual authorized expenditures. SB 4537 passed the Assembly on June 9.

## LITIGATION:

*Moore v. California State Board of Accountancy*, No. 863037 (San Francisco Superior Court), which challenges the Board's policy that unlicensed persons may not legally use the term "accounting" or "accountant" in describing themselves or their services, is still pending in the discovery phase. An August 1 trial date has been set. (For background information, see CRLR Vol. 8, No. 2 (Spring 1988) p. 40.)

## FUTURE MEETINGS:

October 7 in Fresno.

## 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.

## MAJOR PROJECTS:

*Regulatory Changes.* At its March 29 meeting, the Board adopted several changes to its regulations contained in Chapter 2, Title 16 of the California Code of Regulations (CCR). Section 117



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was amended to include the Board's policies regarding evaluation of an architect candidate's experience and education. In addition, language has been added to specify that candidates may not receive work experience credit for co-op or internship courses which are required as part of their degree program. The Board also adopted proposed amendments to sections 109(b) and 116(a), concerning verification of graduation and credit for work experience. These amendments were forwarded to OAL for review on May 16.

In March, the BAE also approved drafted amendments to sections 134, 135, and 151, affecting advertising guidelines for architects, penalties for aiding and abetting unlicensed architects, and CALE administration. A vote on adoption of these amendments was scheduled for the Board's June 6 meeting in Sacramento. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 41 for additional information regarding changes to sections 109, 116, 134, 135, and 151.)

Also at its March 29 meeting, the Board approved the notice and language for the proposed amendment of section 144, regarding examination and renewal fees. The proposed change would increase the cost of taking the CALE and raise registration renewal fees for architects. A regulatory hearing on this proposed amendment was scheduled for July 14 in Sacramento.

**Stamp Requirement Legislation.** In March, BAE reviewed proposed legislation which would require California architects to obtain and use a stamp when submitting plans, specifications, and instruments of service to building officials for approval. BAE accepted an Examination Committee recommendation that the Board move forward immediately with the stamp bill. Committee approval for this legislative proposal came after the Board conducted a survey of building officials, and found they favor such a requirement. A similar requirement was contained in a bill introduced during 1987, AB 1113 (Bradley), but the language requiring stamp use was later amended out of that measure. (For background information, see CRLR Vol. 7, No. 4 (Fall 1987) p. 38 and Vol. 7, No. 3 (Summer 1987) p. 56.)

**Adoption of BAE Goals and Objectives.** Each board within the Department of Consumer Affairs has been asked to draft a description of its goals and objectives using the DCA's mission statement and goals as a guide. (For background information, see CRLR Vol. 8, No. 1 (Winter 1988) pp. 38-39.) In

keeping with this mandate, BAE has stated that it is committed to (1) ensuring public protection by improving the licensing and examination functions of the Board; and (2) enhancing public protection and confidence through an improved enforcement effort.

## LEGISLATION:

**AB 4419 (Bradley).** Existing law authorizes BAE to grant reciprocal licensure to individuals licensed as architects in jurisdictions other than California upon satisfaction of the Board's licensing requirements, including passage of the CALE or an equivalent exam. Equivalency of an examination entails a determination by the licensing authority in the candidate's home jurisdiction and by the Board. As amended in April and May, this bill would recast the reciprocal licensure provisions to require completion of the CALE or another written examination acceptable to the Board. The measure would also delete a requirement under existing law that principals of all parties to any business association formed in this state to provide architectural services must be licensed. At this writing, AB 4419 is pending in the Assembly Ways and Means Committee.

**SB 2810 (Marks)** would provide a fee for reviewing an applicant's eligibility to take any section of the architecture examination and would increase the maximum fee for any section of the exam from \$50 to \$100; would increase duplicate license fees; and would increase the maximum renewal fee from \$100 to \$200. This bill is pending in the Senate Appropriations Committee.

## 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 inspectors attend all professional boxing contests.

## MAJOR PROJECTS:

**Neurological Examination Program.** In March, the Commission held a workshop to explain the purposes and objectives of neurological examinations required of all boxers in California. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 41 for background information.) Two Commission medical consultants, Dr. Fred Flynn and Dr. Richard Drew, explained the objectives of the neurological examination requirement and described the medical methodology for administering the exams. Commission members and staff, ringside physicians, and boxing promoters and managers attended the workshop.

**Regulatory Changes.** The Commission has adopted its proposal to include neurological examination physicians in the definition of boxing "officials." (See CRLR Vol. 8, No. 2 (Spring 1988) p. 42.) The amendment to section 330, Chapter 2, Title 4 of the California Code of Regulations, has not been reviewed by the OAL, as of this writing.

## LEGISLATION:

**AB 3150 (Floyd),** introduced February 9, would require the Commission to adopt regulations detailing the criteria for approval of licensed physicians required to be in attendance at all boxing matches. The bill passed the Assembly on April 4 and was scheduled to be considered by the Senate Business and Professions Committee on June 13. The Commission currently takes a neutral position on the bill.

**AB 529 (Floyd),** which would de-regulate professional wrestling, was to be considered by the Senate Business and Professions Committee on June 13. The Commission actively opposes the bill. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 42 and CRLR Vol. 7, No. 2 (Spring 1987) p. 39 for additional information.)

## RECENT MEETINGS:

At its March 18 meeting in Los