

**STATE OF CALIFORNIA – DEPARTMENT OF CONSUMER AFFAIRS
CALIFORNIA ARCHITECTS BOARD
LANDSCAPE ARCHITECTS TECHNICAL COMMITTEE
NOTICE OF PROPOSED CHANGES IN THE REGULATIONS**

NOTICE IS HEREBY GIVEN that the California Architects Board (Board) is proposing to take the action described in the Informative Digest. Any person interested may present statements or arguments orally or in writing relevant to the action proposed at a hearing to be held at:

**California Architects Board
Landscape Architects Technical Committee
2420 Del Paso Road, Suite 105
Sacramento, California 95834
Wednesday, November 30, 2016
10:00 a.m.**

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 no later than 5:00 p.m. on **November 30, 2016**, or must be received by the Board at the hearing. The Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposals 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: As a result of legislative reorganization, the Landscape Architects Technical Committee (LATC), established on January 1, 1998, replaced the former Board of Landscape Architects and was placed under the purview of the Board. Pursuant to the authority vested by section 5630 of the Business and Professions Code (BPC), and to implement, interpret, or make specific section 5681 of said Code, the Board is considering changes to Division 26 of Title 16 of the California Code of Regulations (CCR) as follows:

INFORMATIVE DIGEST

A. Informative Digest

Amend Title 16 CCR Section 2649 - Fees

Existing law, BPC section 5681, authorizes the LATC to charge a biennial license renewal fee. CCR section 2649 (Fees) specifies that the biennial renewal fee for licenses expiring on or after July 1, 2009, is \$400; the biennial renewal fee for licenses expiring on or after July 1, 2015, is \$220; and, the biennial fee for licenses expiring on or after July 1, 2017, is \$400. This regulatory proposal would amend CCR section 2649 to extend the temporary reduction of the biennial license renewal fee to \$220 for licenses expiring on or after July 1, 2017 through June 30, 2019. On July 1, 2019, the biennial renewal fee would be \$400.

BPC section 128.5 requires agencies within the Department of Consumer Affairs (DCA) to reduce license or other fees if the fund balance meets or exceeds 24 months in reserve at the end of any fiscal year (FY). The LATC had 24.7 months of funds in reserve at the end of FY 2012-13 which exceeded the limit outlined in BPC 128.5. To address the fund condition, the LATC sought revenue savings measures consisting of a negative budget change proposal to reduce LATC's spending authority by \$200,000, and implemented a temporary license renewal fee reduction from \$400 to \$220 for one license renewal cycle, July 1, 2015 through June 30, 2017, with the intention of extending the license renewal fee reduction for an additional renewal cycle if the fund condition did not drop below the 24-month reserve level.

FY 2015-16, the LATC had 27.4 months of funds in reserve. Based on projections including the current temporary license renewal fee reduction of \$220, at the end of FY 2016-17, there will be approximately 20.6 months of funds in reserve. Due to the excess fund balance, LATC is proposing to extend the license renewal fee reduction through June 30, 2019. Once the reduction completes its term, the LATC is projected to have 7.1 months of funds in reserve. To extend the reduction of the license renewal fee, a regulatory change to amend Title 16 CCR section 2649 is necessary.

This regulatory proposal would amend Title 16 CCR section 2649, subsection (f), to reduce the fee for the biennial renewal of a license from \$400 to \$220 for licenses expiring on or after July 1, 2017 through June 30, 2019. LATC will continue to monitor the fund condition and assess whether an ongoing reduction is necessary.

B. Policy Statement Overview/Anticipated Benefits of Proposal

The Board is proposing to extend a reduction of the license renewal fee to ensure compliance with existing law. Licensees would benefit from this proposal by temporarily lowering the cost to maintain their license.

C. Consistency and Compatibility with Existing State Regulations

After conducting a review for any regulations that would relate to or affect this area, the Board has evaluated this regulatory proposal and it is neither inconsistent nor incompatible with existing state regulations.

FISCAL IMPACT ESTIMATES

Fiscal Impact on Public Agencies Including Costs or Savings to State Agencies or Cost/Savings in Federal Funding to the State

By extending the license renewal fee reduction at \$220 for FY 2017-18 and 2018-19, the LATC's annual revenue will decrease by approximately \$323,460 in FY 2017-18 and 2018-19. The LATC has sufficient reserves to cover this loss in revenue without adversely affecting any of its operations. The LATC has determined that the license renewal fee reduction will have no fiscal impact on other state agencies or any federal funding to the state.

Nondiscretionary Costs/Savings to Local Agencies

None

Local Mandate

None

Cost to Any Local Agency or School District for Which Government Code Sections 17500-17630 Require Reimbursement

None

Business Impact

The Board has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

AND

The following studies/relevant data were relied upon in making the above determination:

No businesses or individuals would incur any additional costs as a result of this proposal. This proposal, temporarily reducing license renewal fees, would save money for licensees. While this proposal would also raise the license renewal fee on July 1, 2019, it would only return to the prior level, thus incurring no additional costs.

The table below details the total estimated savings of the affected licensee population which includes the current (FY's 2015/16-2016/17) license renewal fee reduction and proposed (FY's 2017/18-2018/19) license renewal fee reduction.

Fiscal Year	*Estimated Total Annual Renewal Fee Revenue	Estimated Revenue Savings FY 15/16 – 19/20	Estimated Revenue Savings FY 17/18 – 18/19
2015-16	\$394,102	\$322,447	
2016-17	\$395,340	\$323,460	
2017-18	\$395,340	\$323,460	\$323,460
2018-19	\$395,340	\$323,460	\$323,460
2019-20	\$718,800	\$0	
Total Estimated Revenue Savings Which Includes the Current and Proposed License Renewal Fee Reduction		\$1,292,827	\$646,920

* FY 15/16 is based on actual revenue received. FY's 16/17-19/20 are based on estimated revenue received from half the 3,593 (1,797) licensee population as of July 1, 2016.

The savings realized by licensees is projected to be approximately \$323,460 each year or \$646,920 total over the two-year duration of the temporary license renewal fee reduction.

Cost Impact on Representative Private Person or Business

This proposal would reduce the fee for renewal of a license from \$400 to \$220 from July 1, 2017 through June 30, 2019. The license renewal fee would return to \$400 on July 1, 2019. Therefore, this proposal would affect private persons by lowering their cost to maintain their license.

Effect on Housing Costs

None

EFFECT ON SMALL BUSINESS

The Board has determined that the proposed regulation would not affect small businesses because it only affects licensees.

RESULTS OF ECONOMIC IMPACT ASSESSMENT/ANALYSIS

Impact on Jobs/New Businesses

The Board has determined that this regulatory proposal will not have a significant impact on the creation of jobs or new businesses or the elimination of jobs or existing businesses or the expansion of businesses in the State of California. This determination was made because the proposed changes, which would spread approximately \$646,920 among nearly 3,593 licensees over the two-year duration of the proposal, are not sufficient to create or eliminate jobs or businesses.

Benefits of Regulation

The Board has determined that this regulatory proposal will have the following benefits to the health and welfare of California residents, worker safety, and the state's environment:

This regulatory proposal would benefit the welfare of California residents by spreading approximately \$646,920 among nearly 3,593 licensees over the two-year duration of the proposal. Most of these licensees are California residents.

This regulatory proposal does not affect worker safety because it is not related to worker safety in any manner.

This regulatory proposal does not affect the state's environment because it is not related to the environment in any manner.

CONSIDERATION OF ALTERNATIVES

The Board must determine that no reasonable alternative it considered to the regulation 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 proposal described in this Notice, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any interested person may present statements or arguments orally or in writing relevant to the above determinations at the above-mentioned hearing.

INITIAL STATEMENT OF REASONS AND INFORMATION

The Board has prepared an initial statement of the reasons for the proposed action and has available all the information upon which the proposal is based.

TEXT OF PROPOSAL

Copies of the exact language of the proposed regulations and of the initial statement of reasons, and all of the information upon which the proposal is based, may be obtained at the hearing or prior to the hearing upon request from the California Architects Board, Landscape Architects Technical Committee at 2420 Del Paso Road, Suite 105, Sacramento, California 95834, or by contacting the individuals listed below.

AVAILABILITY AND LOCATION OF THE FINAL STATEMENT OF REASONS AND RULEMAKING FILE

All the information upon which the proposed regulations are based is contained in the rulemaking file, which is available for public inspection by contacting the person, named below.

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 named below or by accessing the website listed below.

CONTACT PERSON

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

Name: Tremaine Palmer
Address: California Architects Board
Landscape Architects Technical Committee
2420 Del Paso Road, Suite 105
Sacramento, CA 95834
Telephone No.: (916) 575-7233
Fax No.: (916) 575-7283
E-mail Address: Tremaine.Palmer@dca.ca.gov

The backup contact person is:

Name: Trish Rodriguez
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Landscape Architects Technical Committee
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Website Access: Materials regarding this proposal can be found at www.latc.ca.gov.