

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/21/2012
POSITION: Oppose

BILL NUMBER: AB 1660
AUTHOR: Campos, Nora

BILL SUMMARY: Representation of minors: permits.

This bill would prohibit any person who is required to register pursuant to the Sex Offender Registration Act from representing or providing services to any artist who is a minor by establishing the Child Performer Services Permit (Permit) program. Specifically, this bill would require the Labor Commissioner to implement a Permit process for persons who represent artists who are minors for the purposes of determining whether that individual is a registered sex offender.

FISCAL SUMMARY

This bill would result in additional costs of \$827,000 to \$912,000, Minors Representation Permit Fund, in 2012-13 to fund 5 to 7 new positions for the Department of Industrial Relations (DIR) to process permit applications, provide enforcement of the new permit requirement, and provide reimbursement to the Department of Justice (DOJ) for finger print background checks. Included in the additional costs for 2012-13 are one-time information technology (IT) costs of \$300,000 to enable DIR's IT system to interface with the system at DOJ to electronically submit fingerprints. Ongoing cost incurred by DIR as a result of this measure would be \$953,000 to \$1.1 million annually.

The DIR anticipates annual revenue of \$250,000 to \$375,000 would be generated by the permit filing fee, as required by this bill.

The DOJ estimates costs of \$245,000 in 2012-13 and \$490,000 ongoing to process fingerprint submissions. This cost will be reimbursed by the DIR, through the collection of a separate fingerprint fee charged to all applicants.

COMMENTS

The Department of Finance opposes this bill for the following reasons:

- It would result in additional costs not included in the 2012-13 Budget Act.
The annual anticipated revenue from filing fees is insufficient to support the cost of the program.
It does not provide a mechanism to fund the start-up costs associated with implementation of this measure.

Existing law requires that persons or corporations that act as talent agencies pay a filing fee and obtain a license from the Labor Commissioner. Existing law also requires that applicants for the license provide their business history and financial information along with fingerprints and affidavits from personal references. Talent agencies are also required to post a bond with the Labor Commissioner before a license is issued. Existing law also provides that the Labor Commissioner may revoke the license of any agency for failure to comply with these provisions or if the licensee has ceased to be of good moral character. Finally, existing law requires persons convicted of enumerated sex offenses to register within

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Governor's Office: By: Date: Position Approved Position Disapproved
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Campos, Nora

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**COMMENTS** (continued)

five working days of coming into a city or county with law enforcement officials in that jurisdiction and that persons required to register cannot work directly and in an unaccompanied setting with minor children.

This bill would establish a Child Performer Services Permit program to be implemented by the DIR. Persons representing or providing specified services to any artist who is a minor, under the age of 18 years, will be required to submit an application, fingerprints and related information required for the DOJ to conduct a background check, and an application fee. After receiving the first Permit, an application for renewal would be required on a biennial basis.

This measure would exclude licensed talent agents, who are already subject to regulation, and studio teachers, who are subject to the teacher credentialing requirements and are certified by the Labor Commissioner. Individuals who have incidental and occasional contact with minor children and have no supervision or disciplinary power would also be excluded.

The DIR would be required to establish a filing fee, not to exceed \$50, to offset the costs of the permit program. Additionally, the DIR may charge the applicant a fee to sufficiently cover the cost to the DOJ for the background check. This bill would require the DIR to deposit the application fees in a newly created Child Performer Services Permit Fund that would be available for appropriation by the Legislature to pay for the administration costs of the Permit program.

Finally, this bill would require the DIR to post a list of names of Child Performer Services Permits issued on the Internet.

This bill is intended to protect children in the entertainment industry from child predators.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)						Fund Code
	LA	(Dollars in Thousands)						
	CO	PROP						
	RV	98	FC	2012-2013	FC	2013-2014	FC	2014-2015
0820/Justice	SO	No	C	245	C	490	C	490 0017
0820/Justice	SO	No	C	245	C	490	C	490 0995
7350/DIR	SO	No	C	827-912	C	953-1,123	C	953-1,123 0499
1200/Reg Tax&Licn	RV	No	U	370-433	U	740-865	U	740-865 0499
<u>Fund Code</u>	<u>Title</u>							
0017	Fingerprint Fees Account							
0499	Pending New Special Funds							
0995	Reimbursements							