

AMENDED IN SENATE MAY 5, 2015
AMENDED IN SENATE APRIL 14, 2015
AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 270

Introduced by Senator Mendoza

February 19, 2015

An act to add Section 8041 to the Business and Professions Code, relating to court reporters.

LEGISLATIVE COUNSEL'S DIGEST

SB 270, as amended, Mendoza. Court Reporters Board of California: civil actions: corporations.

Existing law provides for the certification and regulation of shorthand reporters and for the regulation of shorthand reporting corporations by the Court Reporters Board of California.

Under existing law, a shorthand reporting corporation is a corporation authorized to render professional services, as defined, as long as that corporation and all of its shareholders, officers, directors, and employees rendering professional services who are certified shorthand reporters are in compliance with specified provisions of law. Existing law defines a foreign professional corporation as a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is specified authorization for the performance of professional services by a foreign professional corporation. Under existing law, it constitutes unprofessional conduct and a violation of these provisions for any licensed person to violate, attempt to violate, assist in or abet the violation of, or conspire to violate any specified provisions of law, including regulations adopted

thereunder. Existing law prohibits a shorthand reporting corporation from not doing or failing to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute, rule, or regulation pertaining to shorthand reporters or shorthand reporting.

This bill would authorize the board to bring a civil action in a superior court to enjoin any person, corporation, or corporation organized under the laws of a state of the United States other than this state, from rendering court reporter services in this state without ever being issued a license by the board or without authorization to render court reporter services in this state by satisfying specified requirements. The bill would authorize the board to request the Attorney General to bring such an action. The bill would require the court to, ~~among other things,~~ to impose specified monetary penalties against the person or corporation rendering services without a license or authorization. The bill would also authorize the court to, ~~among other things,~~ to order restitution and enjoin a person or corporation from taking any action constituting a violation of any law pertaining to impartiality, as provided. The bill would make it a misdemeanor for any person or corporation to knowingly render court reporter services in this state without ever being issued a license or authorized to render those services.

By creating a new crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 8041 is added to the Business and
- 2 Professions Code, to read:
- 3 8041. (a) In addition to any other authority or remedy, the
- 4 board may bring a civil action in a superior court to enjoin any
- 5 person, corporation, or corporation organized under the laws of a
- 6 state of the United States other than this state, from rendering court
- 7 reporter services in this state without ever being issued a license

1 by the board or authorization to render court reporter services in
2 this state by satisfying the requirements of this article. The board
3 may request the Attorney General to bring an action pursuant to
4 this subdivision.

5 (b) If a civil action is brought pursuant to subdivision (a), the
6 court, in addition to any other remedy authorized by law, shall
7 impose a penalty of not less than one thousand dollars (\$1,000)
8 and no more than two thousand five hundred dollars (\$2,500) per
9 day against the person or corporation rendering services without
10 a license or authorization, and the court may also order restitution
11 and the return of any payments made to the person or corporation.

12 (c) In an action brought pursuant to subdivision (a), the court
13 may also enjoin a person or corporation from taking any action
14 that would otherwise constitute a violation of any statute or
15 regulation of the board pertaining to impartiality, including, but
16 not limited to, Section 2475 of Title 16 of the *California Code of*
17 *Regulations*, and the court may impose a penalty of up to two
18 thousand five hundred dollars (\$2,500) and *order* restitution for
19 any acts undertaken by any person or corporation rendering court
20 reporter services in this state. In determining the amount of the
21 penalty, the court shall take into consideration the frequency of
22 the violations and the impact of those violations, including a
23 violation of Section 2475 of Title 16 of the *California Code of*
24 *Regulations*.

25 (d) The court may designate that any transcript prepared by any
26 person or corporation subject to an action brought under this section
27 does not qualify as a certified transcript. However, the person or
28 corporation shall be required to reimburse the certified shorthand
29 reporter for the production of the transcript in accordance with
30 transcript fees pursuant to existing law.

31 (e) It shall be a misdemeanor for any person or corporation to
32 knowingly render court reporter services in this state without ever
33 being issued a license by the board or being authorized to render
34 court reporter services in this state pursuant to this article.

35 ~~(f) The court shall award reasonable investigation and~~
36 ~~enforcement costs to the board or Attorney General responsible~~
37 ~~for filing an action pursuant to subdivision (a) If the board or~~
38 ~~Attorney General is granted an injunction pursuant to subdivision~~
39 ~~(a), the court shall award reasonable investigation and~~
40 ~~enforcement costs and may also award a portion of any unallocated~~

1 penalties collected pursuant to subdivision (c) to be used for future
2 investigation and enforcement of this section by the board and the
3 Attorney General. Any such award of penalties to the board shall
4 be deposited in the Court Reporters' Fund and these penalties shall
5 be subject to appropriation by the Legislature.

6 (g) This section shall not be construed to change, limit, or alter
7 any existing authority of the board, including existing injunctive
8 authority.

9 SEC. 2. No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.