

**TITLE 16. STRUCTURAL PEST CONTROL BOARD  
DEPARTMENT OF CONSUMER AFFAIRS**

**INITIAL STATEMENT OF REASONS**

**Hearing Date:** October 13, 2016

**Subject Matter of Proposed Regulation:** Company Name Approval

**Section Affected:** Title 16, California Code of Regulations (CCR), Section 1914

**PROBLEM BEING ADDRESSED**

Currently, CCR 1914 prohibits the approval of a company name that is the same as the name of a company whose registration has been suspended or revoked. Additionally, CCR 1914 makes the use of a name or telephone number which is the same as a company whose registration has been suspended or revoked a ground for disciplinary action.

The problem the Board intends to address with the proposed regulation is the practice of a company using the name or telephone number of a company whose registration has been surrendered. Currently, when the Board considers the approval of a company name, or finds that a company is using the telephone number of a company whose registration has been surrendered, no explicit language exists for the Board to deny the company name or to pursue disciplinary action.

**NECESSITY**

The Board feels it is necessary to amend CCR section 1914 in the manner described in the Informative Digest because currently, no enforcement mechanism exists to prevent the approval and use of a name or telephone number of a company who has surrendered their registration.

B&P Code section 8650 states, among other things, that acting in the capacity of a registered company other than the name as set forth upon the registration is a ground for disciplinary action.

In order to more fully implement B&P Code section 8650 the Board feels it is necessary to prevent the use of a name or telephone number of a company who has surrendered their registration and to make the use of a name or telephone number of a company who has surrendered their registration a ground for disciplinary action. This proposed amendment will benefit the health and safety of consumers by increasing openness and transparency in the structural pest control industry and allowing them to make a more informed decision.

## **SPECIFIC PURPOSE**

Amend CCR section 1914:

The specific purpose of the proposed regulation is to increase openness and transparency in the structural pest control industry and strengthen consumer protection by disallowing the issuance of a company registration in the name of a company whose registration has been surrendered and by making the use of the name or telephone number of a company whose registration has been surrendered a ground for disciplinary action.

Additionally, the specific purpose of this regulatory proposal is to further implement B&P Code section 8650 which makes it a ground for discipline to act in the capacity or use the name of a registered company except as set forth upon the license or registration.

## **Benefits to the Health and Welfare of California Residents, Worker Safety, and Environment**

The Board has determined that the proposed regulation will benefit the health and welfare of California residents and the state's environment in the following ways:

By not allowing companies to use the name or telephone number of a company whose registration has been surrendered, transparency in the structural pest control industry is increased and consumers benefit as a result.

## **UNDERLYING DATA**

None

## **BUSINESS IMPACT**

The Board has determined that the proposed regulation will not have a significant statewide adverse economic impact directly affecting businesses including the ability of California businesses to compete with businesses in other states.

The Board made this determination because the proposed regulation applies only to companies who have surrendered their registration as a result of facing disciplinary action.

## **MANDATE ON SPECIFIC TECHNOLOGIES OR EQUIPMENT**

The proposed regulation does not impose a mandate requiring the use of specific technologies or equipment.

## **ECONOMIC IMPACT ASSESSMENT**

The Board has determined that the proposed regulation will have no effect on the creation or elimination of jobs within the state. The Board made this determination because the proposed regulation relates to the approval and use of company names and telephone numbers for companies who have surrendered their license and is therefore unrelated to job creation or elimination.

The Board has determined that the proposed regulation will have no effect on the creation of new businesses or the elimination of existing businesses within the state. The Board made this determination because the proposed regulation relates to the approval and use of company names and telephone numbers for companies who have surrendered their license and is therefore unrelated to the creation of new businesses or the elimination of existing businesses.

The Board has determined that the proposed regulation will have no effect on the expansion of businesses currently doing business within the state. The Board made this determination because the proposed regulation relates to the approval and use of company names and telephone numbers for companies who have surrendered their license and is therefore unrelated to the expansion of businesses.

The Board has determined that the proposed regulation will benefit the health and welfare of California residents and the state's environment in the following ways:

By not allowing companies to use the name or telephone number of a company whose registration has been surrendered, transparency in the structural pest control industry is increased and consumers benefit.

## **CONSIDERATION OF ALTERNATIVES**

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective or less burdensome to affected private persons or businesses or equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the law being implemented or made specific.

Set forth below are the alternatives which were considered and the reasons each alternative was rejected:

**Alternative 1:** Continue to have CCR section 1914 remain silent on the issue of the approval and use of the name or telephone number of a company who has surrendered their registration.

**Rejected:** In order to promote openness and transparency in the structural pest control industry and to increase consumer protection the Board feels it is necessary to prevent the approval and use of a name or telephone number of a company who has surrendered their registration.