



*SB 1955 (Beverly)* amends section 7539 of the Business and Professions Code to prohibit persons involved in licensed private investigation from soliciting employment from any injured person or that person's spouse or other family member. Existing law exempts from that prohibition the solicitation of employment from the injured person's attorney. This measure also exempts from that prohibition the solicitation of employment from the injured person's insurance company, self-insured administrator, insurance adjuster, employer, or any other person having an indirect interest in the investigation of the injured person.

*SB 2054 (Davis)* was signed by the Governor, and requires a security guard or patrolperson to file a written report with the Director of the DCA and the local law enforcement agency describing any circumstance involving the discharge of a firearm in which he/she was involved while acting within the course and scope of his/her employment within seven days after the incident.

*AB 1072 (Floyd)* would have expanded Bureau rulemaking authority to cover specified areas of conduct relating to private investigators and bodyguards, including the carrying of concealed firearms. The bill would also have increased the membership of the Private Security Services Advisory Board, but died in the Senate Judiciary Committee.

*AB 2527 (Peace)* would have prohibited the wearing of a badge by a private patrol licensee or registrant, but died in the Senate Committee on Business and Professions.

*AB 3072 (Seastrand)* extends the sunset date for the Collection Agency Act to June 30, 1992. This bill was signed by the Governor and chaptered on July 14.

*AB 2807 (Duplissea)*, which exempts specified repossession agencies from tow truck equipment provisions and permits those agencies to substitute their DCA license number in lieu of a business address on the sign required to be displayed on their tow trucks, was signed by the Governor on September 16.

*AB 4007 (Lancaster)*, as amended August 22, amends existing law which defines an alarm company operator for the purpose of licensing and regulation, and exempts from that definition a telephone answering service which does not engage in specific activities performed by an alarm company operator. This bill includes in the prohibited activities of the answering service the maintaining and altering of alarm systems. *AB 4007* was signed by the Governor on Septem-

ber 27 (Chapter 1448, Statutes of 1988).

## RECENT MEETINGS:

*Collection Agency Advisory Board.* At its September 23 meeting in San Diego, Bureau Chief Hall discussed some of the goals the Bureau hopes to achieve in its relationship with the CAAB. The Bureau looks forward to an open relationship with the Board. Chief Hall clarified that the Bureau's role is not adversarial, but is to help the licensed agencies and protect the consumer.

Board member Bob Morris spoke of industry concerns regarding unlicensed activity. Both the Bureau and the CAAB have asked the industry to turn in names and addresses of unlicensed agencies doing business. The response was quite positive and the Bureau will investigate those leads provided to it by the industry.

*Private Security Services Advisory Board.* At the Board's September 15 meeting in San Diego, Kenneth A. Olmsted resigned from a public member position on the Alarm Company Operator Disciplinary Review Committee (DRC). Mr. Olmsted cited the large time commitment necessary and a possible conflict of interest as his primary reasons for resigning. Olmsted is an attorney who represents alarm companies in his professional capacity. The Board accepted his resignation, and appointed William Swinney to replace Olmsted in the public member position. Prior to retiring in 1986, Swinney had twenty years' experience in the alarm company industry. The Board also appointed Robert Rockwell to the Northern Private Security Services DRC.

Chief Hall reported to Board members on Bureau enforcement activity. He noted that in the past, the Bureau has not been proactive in the enforcement of complaints against both licensed and unlicensed members of the industry. Mr. Hall stated that the Bureau will now be more active in this area. Board official Barbara Wightman underscored this theme by reporting on a successful bureau investigation of a security guard trainer who did not comply with Bureau regulations, and was put on two years' probation.

## FUTURE MEETINGS:

*Collection Agency Advisory Board:* January 18 in Palm Springs; May 12 in Garden Grove.

*Private Security Services Advisory Board:* January 26 in Sacramento.

## CONTRACTORS STATE LICENSE BOARD

*Registrar: David Phillips  
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The Contractors State License Board (CSLB) licenses contractors to work in California, handles consumer complaints, and enforces existing laws pertaining to contractors.

The thirteen-member Board, consisting of seven public members, five contractors and one labor member, generally meets every other month. The Board maintains four committees: legislative, which monitors legislation affecting the Board; enforcement, which oversees enforcement of existing rules and regulations, including licensing requirements; licensing, which oversees the Board's licensing procedures; and administration/public information/liaison, which oversees the Board's operations and public contact. Committees meet monthly, making recommendations to the full Board for requested action.

Governor Deukmejian recently reappointed M. Jean Westgard of Union City, a member of the city council in Union City; Elton E. Michael of Sunland, a police detective; and John L. Lazzara of Anaheim, a district director for an Irvine area labor union, to the Board. Jack Fenton was recently reappointed by Assembly Speaker Willie Brown.

On July 21, the CSLB elected Stephen H. Lazarian, Jr. as its Chair and Joseph A. Valverde as Vice-Chair for fiscal year 1988-89. Mr. Lazarian has been a member of the CSLB since his appointment in 1985, serving as Board Vice-Chair in 1987-88, and as chair of the Budget/Administration Committee. Mr. Valverde has been a member of the CSLB since 1986, and has served as a member of the Enforcement and Licensing Committees.

## MAJOR PROJECTS:

*Reciprocity Among the Western States.* On May 11, the Western Region of the National Association of State Contractor Licensing Agencies (NASCLA) held a meeting in Las Vegas. Representatives of state boards from Arizona, California, Utah, Nevada, Hawaii, South Carolina, Arkansas, and Guam discussed the possibility of reciprocity among the western states of California, Nevada, Arizona, Utah, and Hawaii. Under the proposed plan, the trade portion of the examination would be waived for a contractor who had successfully passed a similar trade examination in



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one of these five states. The applicant would still be required to complete the business and law portions of the examination. In order for the proposal to operate efficiently, information on the past license record of an applicant would have to be freely exchanged between the participating states in a timely manner. The representatives at the meeting agreed to hold another workshop on the matter as soon as possible in order to formulate the necessary draft agreements.

At its June 21 meeting, the Board's Licensing Committee discussed the possibility of establishing such a reciprocity program. The Committee recommended that staff continue to work with NASCLA to develop procedures and criteria for reciprocity which could be presented to the Board for approval.

*Waiver of Trade Examinations for Licensed Contractors.* Also at its June 21 meeting, the Board's Licensing Committee discussed the possibility of waiving trade examinations for licensed contractors who can demonstrate the required four years' experience in the trade or craft that they wish to add to their existing license. The Board previously had such a regulation, which was repealed by statute in 1980. The Committee recommended that the Board consider readopting a regulation to allow such a waiver.

*CSLB Committees Set Goals.* At the September 13 meeting of CSLB's Strategic Planning Committee, CSLB Chair Stephen Lazarian reviewed the purpose of the Committee as well as the goals of the State and Consumer Services Agency, the Department of Consumer Affairs, and the Board. Lazarian stated that a personal goal of his for the Board is to streamline Board functions to allow for greater efficiency and productivity.

Jean Westgard, Enforcement Committee Chair, stated that the goals for her Committee in the upcoming year include a reduction of the complaint backlog; establishment of a policy regarding the relationship between the Licensing and Enforcement Committees regarding the unlicensed contractor problem; implementation of new and different ideas for alternative dispute resolution and monitoring of the Arbitration Pilot Program; establishment of a Targeted Enforcement Program; increased staff training and review of procedures; and implementation of legislative programs.

John Lazzarra, Public Information Committee Chair, discussed his Committee's goals in the upcoming year, which include the following: continuation of

industry/Board liaison efforts; completion of CSLB's law book and a pamphlet edition; creation/updating of consumer pamphlets and mailing lists; and increased consumer and contractor education, particularly continuation of the Operation Outreach program.

John Moore, Licensing Committee Chair, described his Committee's goals, which include the prompt issuance of licenses and proper processing of license transactions; developing a classification system which meets the needs of the industry; developing an efficient system to ensure a minimum level of contractor competence; and developing a reciprocity program among certain western states.

Joe Valverde, Budget/Administration Committee Chair, reviewed his Committee's goals: a commitment to live under budget constraints and an attempt to balance the budget while providing all services which have been committed; a readiness to seek and implement budget change proposals during the course of the year and to request additional dollars for emergency and necessary changes that occur in the course of the budget year; tracking and assessment of the automation programs and implementation; and monitoring of the CSLB headquarters move.

Marla Marshall, Legislative Committee Chair, described her Committee's goals: the establishment of a communications model to improve CSLB's communications with administration and the legislature; development of a legislation tracking system; follow-up and monitoring of implementation of enacted bills; and the initiation of new CSLB-sponsored legislation.

## LEGISLATION:

*AB 2938 (Quackenbush)* was signed by the Governor on September 21 (Chapter 1104, Statutes of 1988). Existing law regulates the content and effect of home solicitation contracts, as defined, and provides buyers with a general right to cancel a home solicitation contract. As amended on August 22, this bill provides that the term "home solicitation contract" does not include any contract for repair services with a contractor who is licensed under the Contractors State License Law if the contract price is less than \$100, the negotiation between the parties was initiated by the prospective buyer, and the contract contains a written and dated statement signed by the prospective buyer stating that the negotiation between the parties was initiated by the prospective buyer.

*SB 2593 (Lockyer)* would have re-

quired the CSLB and other state agencies to establish a procedure pursuant to which incoming telephone calls shall be answered within ten rings during regular business hours. The Governor vetoed this bill on September 23.

The following is a status report on bills discussed in CRLR Vol. 8, No. 3 (Summer 1988) at page 54:

*AB 3060 (Floyd)* became *AB 3060 (Waters)* on June 27, and would have required public entities, the University of California, and the California State University, prior to awarding a public works contract, to contact the CSLB to determine whether the bidder's contractor's license is in good standing. The Governor vetoed this bill on September 30.

*AB 4005 (Bradley)* was signed by the Governor on September 30 (Chapter 1619, Statutes of 1988). As amended August 23, this bill provides that a willful departure in any material respect from accepted trade standards for good and workmanlike construction constitutes a cause for disciplinary action against a contractor.

Existing law provides that failure of a licensee to comply with an arbitration award, pay a civil penalty, or comply with an order of correction results in the automatic suspension of a license after specified notice by the registrar. If the license is not reinstated within one year, it is automatically revoked for a period of time to be determined by the Registrar of Contractors. This bill prohibits such licensees from engaging in specified activity, including participating as a qualifying individual of another licensee, and extends the automatic revocation provision to any other contractor's license held by the licensee.

*AB 2999 (Speier)*, as amended on August 18, prohibits any person from advertising for the removal of asbestos unless certified for that work, and requires inclusion of the certification or registration number in all advertising for such work. This bill also requires CSLB to make asbestos information available to the public upon request. Finally, *AB 2999* requires that as a condition of certification by the Board, a contractor must also be registered with the Division of Occupational Safety and Health of the Department of Industrial Relations. This bill was signed by the Governor on September 20 (Chapter 1003, Statutes of 1988).

*AB 3789 (Eastin)*, which provides that failure of an unlicensed contractor to comply with a final citation from the CSLB is a misdemeanor, was signed on August 30 (Chapter 725, Statutes of 1988).



*AB 3841 (Eastin)* was substantially amended on August 24 to include former provisions of *AB 3953 (Eastin)*. Existing law exempts from the provisions of the Contractors State License Law, among others, an owner of property, building or improving structures thereon or appurtenances thereto, who contracts for the project with a licensed contractor or contractors. This bill provides that this exemption shall apply only if four or fewer of the structures are intended or offered for sale in a calendar year. These limitations do not apply if the owner of the property contracts with a general contractor.

This bill also provides that, on and after January 1, 1990, the installation of all fire protection systems shall be performed only by a contractor holding a fire protection contractor classification.

*AB 3841* also requires contractors, as to construction projects completed on and after January 1, 1989, to keep records relating to the construction for five years. Finally, this bill provides that a complaint referred to arbitration by the CSLB registrar shall not be made public until the registrar has initiated an investigation into the alleged violation of an arbitration award.

*AB 3841* was signed by the Governor on September 20 (Chapter 1035, Statutes of 1988).

*AB 3953 (Eastin)* became *AB 3953 (Polanco, Eastin)* and was substantially amended on August 26. Some of its former provisions were incorporated into *AB 3841 (see supra)*. New *AB 3953* would have appropriated \$300,000 from the Contractors License Fund to the CSLB for the purpose of conducting a pilot project pertaining to developing, implementing, and assessing the merits of a central data base of contractor information, including contractor information from small, minority, and women-owned businesses. The Governor vetoed *AB 3953* on September 28.

*AB 3969 (Hauser)*, as amended June 22, requires a contractor who inspects property for the purpose of determining the presence of asbestos or for remedial action with knowledge that the report is required by a lender or public agency for a permit, to disclose if it is owned by, or has any financial relationship with, the business or entity performing the corrective work. The bill also prohibits an asbestos consultant who inspects property for the purpose of determining the presence of asbestos, with knowledge that the report is required by a lender or by a public agency for a permit, from requiring, as a con-

dition of performing the inspection, that the consultant also perform subsequent corrective work. *AB 3969* was signed by the Governor on September 28 (Chapter 1491, Statutes of 1988).

*AB 4310 (Eastin)*, as amended August 29, requires a plasticized pocket card to be issued, at no cost, to a contractor upon licensure and requires the surrender of the card under specified circumstances. The bill also creates a pilot project on direct access to contractor license verification systems in not less than six cities, counties, or cities and counties, or other entities that assent thereto; and requires CSLB to report to the legislature on or before March 31, 1991 on the pilot project. This bill was signed by the Governor on September 28 (Chapter 1495, Statutes of 1988).

*SB 354 (Craven)*, which requires the CSLB to report to the Governor and legislature by February 15, 1989, on the licensing of interior designers, and appropriates \$25,000 from the Contractors License Fund to the Board for purposes of conducting the study, was signed by the Governor on August 30.

*SB 2386 (Campbell)*, which requires any public works contract of any public entity to include an affidavit affirming that the bidder has not participated in various collusive activities, was signed by the Governor on September 29 (Chapter 1548, Statutes of 1988).

*SB 2163 (Presley)*, which would, with respect to post-January 1, 1989 contracts, prohibit requiring both the giving of a bond and the retention of payment(s) to ensure performance, has been referred for interim study.

*AB 3391 (Chandler)*, *AB 4571 (Duplissea)*, *SB 1875 (Greene)*, *SB 2385 (Campbell)*, *AB 3384 (Floyd)*, *AB 4244 (Farr)*, and *AB 4427 (Ferguson)* died in committee.

## RECENT MEETINGS:

At its July 20-21 meeting in San Leandro, CSLB Registrar David Phillips reported that the Board's goals for reducing the enforcement backlog are being implemented. The Board expressed satisfaction with the progress of the arbitration program and the statewide automated enforcement system, but acknowledged that the building department citation program is not working as well as anticipated. Mr. Phillips also noted that the amnesty backlog is down to 8,000 from over 33,000 applications (see CRLR Vol. 8, No. 3 (Summer 1988) p. 54; Vol. 7, No. 4 (Fall 1987) p. 45; and Vol. 6, No. 4 (Fall 1986) p. 33 for background information).

Also at the July 20 meeting, Mr. Phillips discussed several issues that he would like the Board to address in the upcoming year, including training for enforcement staff; citations for unlicensed contractor advertising; clean-up legislation for the amnesty program to deal with unlicensed contractors; waiver of trade exams; giving credit for experience on exams where the score is within a few points of passing; and reciprocity between states.

Also at the July meeting, John Moore was commended for his work as Chair of the CSLB for the 1987-88 year, and was presented with a plaque acknowledging his work during the past year.

## FUTURE MEETINGS:

January 12-13 in Monterey.  
April 20-21 in southern California.  
June 8 in Sacramento.  
July 20-21 in San Diego.

## BOARD OF COSMETOLOGY

*Executive Officer: Denise Ostton*  
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In 1927 the California legislature passed Business and Professions Code section 7300 *et seq.*, establishing the Board of Cosmetology (BOC). The Board was empowered to require reasonably necessary precautions designed to protect public health and safety in establishments related to any branch of cosmetology.

Pursuant to this legislative mandate, the Board regulates and issues separate licenses to salons, schools, electrologists, manicurists, cosmetologists, and cosmeticians. It sets training requirements, examines applicants, hires investigators from the Department of Consumer Affairs to investigate complaints, and disciplines violators with licensing sanctions.

The Board is comprised of seven members—four public members and three from the industry.

## MAJOR PROJECTS:

*Continuing Education Requirements.*  
At its September 18 meeting in San Francisco, the BOC again attempted to clarify its continuing education (CE) requirements for cosmetology instructors. (See CRLR Vol. 8, No. 3 (Summer 1988) p. 55 for background information.) The Board discussed (1) who must complete thirty hours of CE; (2) exemptions from the requirements; and (3) the definition of "inactive license status." The Board also provided a list of recognized providers offering courses ap-