



were made. This issue had been carried forward from the February meeting, at which Advisory Board members requested that the Bureau provide them with information such as the meeting attendance records of DRC members for the last six months, interest of DRC members in remaining on the committees, and whether DRC members are fulfilling the responsibilities of their appointments. Alarm Company Operator DRC members George Weinstock, Frank Meiners, and Dean Morehous, having expressed interest in continuing to serve, were reappointed. DRC member Phillip Oppenheim did not submit a resume nor did he contact Chair John Roberts expressing an interest in being reappointed. The Board elected Kenneth Olmsted to replace Oppenheim. Also appointed was Madelyn Blakeman. Clara Came, a current DRC member, is not subject to reappointment until January 17, 1990.

The southern Private Security Services DRC appointments include Carlo J. Picogna, reappointed to his current position on the committee, and Dave Hetzel, elected to replace Samuel Cogar. DRC member Arleen Gloria was reappointed on April 6. Roy Lee Pharis was appointed to replace Michael Cantrell. Current DRC member Alex Guerrero is not subject to reappointment until September 15, 1989.

Tom Sutak and John Banuelos were reappointed by the Board to the northern Private Security Services DRC. William C. Bergmeister was appointed as a new member on May 6. DRC members Gwen Dilworth-Battle and Winifred Breslin did not submit resumes for reappointment consideration. Since no other resumes were submitted regarding the appointment to the northern committee, the Board decided to contact Dilworth-Battle to see if she is still interested in the committee position. Breslin's private patrol operator license expired in September 1987 and has not been renewed so there was some question as to whether she could continue to serve on the committee. Legal counsel Barbara King was to check into this matter. DRC member Jan Marie Vasquez is not subject to reappointment until January 23, 1991.

Collection Agency Advisory Board. At the March meeting of the CAAB, former Acting Chief Luzania described a management study then underway, which was intended to improve the Bureau's systems and functions by expediting the processing of transactions and improving services to both consumers and industry members.

The Bureau's revised complaint form was one of the improvements Luzania cited. Bureau staff anticipate that the revised complaint form will result in a reduction of unfounded complaints and a more timely notification to consumers and licensees. Board Chair Jerry Springer requested that the Bureau furnish Collector's Ink, a collection industry publication, with details regarding the new form and related Bureau procedures, such as information on when an allegation becomes a formal complaint. Luzania stated that the Bureau is currently considering this type of awareness program.

Although not an official agenda item, the topic of unethical advertising was discussed. CAAB member Bob Morris presented a series of six industry sales letters/notices/agreements containing questionable claims, statements, or service offerings by out-of-state agencies. Morris questioned whether the Bureau has a responsibility to contact the parties offering such advertising in an attempt to clarify their claims. Acting Chief Luzania stated that the Bureau's jurisdiction is limited by statute to cover only agencies located in California. He suggested that the Bureau bring the out-of-state advertisement to the attention of the appropriate state's consumer protection agency. Deputy Director Baiz mentioned that the National Clearinghouse on Licensure, Enforcement, and Regulation (CLEAR) might provide assistance in resolving issues involving out-of-state advertisements.

Bureau representative Chris Rury advised the CAAB that he was reviewing the matter of a recent change in federal laws governing the student loan program, including loan collection. The change authorizes a collection agency to recover its fees from the consumer. Rury indicated that the matter would be presented to the DCA's legal unit for its opinion in light of potentially conflicting state laws related to the collection of agency commissions from consumers. A report on this issue will be forthcoming.

FUTURE MEETINGS:

Collection Agency Advisory Board: September 23 in San Diego.

Private Security Services Advisory Board: To be announced.

CONTRACTORS STATE LICENSE BOARD

Registrar: David Phillips
(916) 366-5153

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.

Former CSLB Registrar John Maloney resigned on April 21. New Registrar David Phillips was hired effective June 13.

Governor Deukmejian recently appointed Marla B. Marshall of San Diego to fill a CSLB public member vacancy. Ms. Marshall has served as an administrative assistant to the deputy mayor of San Diego since 1983.

MAJOR PROJECTS:

Regulatory Changes. At its April 21 meeting, CSLB held a public hearing on the proposed addition of section 869 to Chapter 8, Title 16 of the California Code of Regulations (CCR), regarding relicensure. This proposed regulation would allow the Registrar to determine the length of time that a contractor is ineligible for relicensure following license revocation. The registrar may impose a range of from one to five years, to be assessed based on the gravity of the violation, history of previous violations, and history of criminal convictions. The Board adopted the new section and has forwarded the rulemaking file to the Office of Administrative Law (OAL).

Also awaiting OAL approval at this writing is CSLB's amendment to section 832, which would add a Low Voltage Systems Contractor classification. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 52 and Vol. 8, No. 2 (Winter 1988) p. 50 for background information.)

On June 1, the OAL approved CSLB's proposed amendment to section



REGULATORY AGENCY ACTION

832.7, Chapter 8, Title 16 of the CCR, regarding landscape contractors. (See CRLR Vol. 8, No. 2 (Spring 1988) p. 52 and Vol. 8, No. 1 (Winter 1988) p. 50 for background information.)

Amnesty Program Declared A Success. According to CSLB's spring newsletter, more than 38,000 unlicensed contractors participated in CSLB's "amnesty program," which commenced on January 1, 1987 due to the passage of SB 2389 (Doolittle). (See CRLR Vol. 7, No. 4 (Fall 1987) p. 45 and Vol. 6, No. 4 (Fall 1986) p. 33 for background information.) During 1987, the bill allowed applicants to use their experience as unlicensed contractors to qualify for a contractor's license.

As of January 1, 1988, CSLB no longer accepts self-employed experience gained by contracting without a license toward its licensure requirements. SB 2389 also increased the civil penalties for contracting without a license. Unlicensed contractors who perform jobs totalling more than \$300 are now liable for penalties ranging from \$1,500 to \$4,500.

Contractor/Consumer Education. CSLB's Public Information Committee recently formed a group to discuss a new Operation Outreach Education Program. The Committee discussed the possible development of a professional program to be prepared by CSLB staff along with industry and consumer representatives. The Public Information Committee recommended and the Board recently approved the formation of an ad hoc committee to proceed with the establishment of this program.

LEGISLATION:

AB 3060 (Floyd), as amended April 7, would require 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. This bill has passed the Assembly and is pending in the Senate Governmental Organization Committee.

AB 3391 (Chandler) would augment existing exemptions from the CSLB licensure requirement. The bill would exempt work or operation on one undertaking or project by one or more contracts, the aggregate contract price for which labor, materials, and all other items is less than \$1,000. As amended on April 27, this exemption would be valid only in counties with a population of less than 200,000. AB 3391 is pending in the Assembly Governmental Efficiency

and Consumer Protection Committee.

AB 4005 (Bradley), as amended May 31, would provide that a wilful departure in any material respect from accepted trade standards for good and workmanlike construction constitutes a cause for disciplinary action against a contractor. This bill is pending in the Senate Business and Professions Committee.

AB 4571 (Duplissea) would exempt from CSLB licensure an independent owner-operator when his/her services are performed for a licensed contractor or when the services performed do not require a contractor's license. "Independent owner-operator" is defined as an individual who owns and personally operates equipment in the performance of services. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

SB 2385 (Campbell), as amended April 4, would provide that tackless layed carpets are deemed "finished products," thus exempting the sale, installation, and furnishing of tackless layed carpets from the Contractors' License Law. This bill would instead include carpeting under the Home Furnishings and Thermal Insulation Act, requiring a separate license to be issued by the Bureau of Home Furnishings in order to sell, renovate, install, or lay carpet. SB 2385 is pending in the Senate Rules Committee, awaiting proper committee assignment.

The following is a status update of bills reported in CRLR Vol. 8, No. 2 (Spring 1988) at page 52:

SB 354 (Craven), as amended May 9, would require the CSLB to report to the Governor and legislature by February 15, 1989, on the licensing of interior designers. This bill is pending in the Assembly Ways and Means Committee.

SB 1875 (Greene), as amended March 22, would make contractors who have not held valid licenses in the appropriate classification for at least six months prior to submission of a public works contract bid ineligible to bid. This bill would exempt joint venture licenses from this requirement, provided that all members of the joint venture have held current active licenses for at least six months. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

SB 2163 (Presley) has been substantially amended. As amended on May 27, this bill 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. Any waiver of the pro-

visions of this bill would be null and void. AB 2163 is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

SB 2386 (Campbell) was amended May 4 to require any public works contract of any public entity to include an affidavit affirming that the bidder has not participated in various collusive activities. This bill is also pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

AB 2999 (Speier), as amended and passed by the Assembly on June 9, would prohibit any person from advertising for the removal of asbestos unless certified for that work, and would require inclusion of the certification or registration number in all advertising for such work. This bill would also require CSLB to make asbestos information available to the public upon request.

AB 3384 (Floyd), as amended April 20, would create a Division of License Enforcement within the CSLB under the direction of a deputy registrar. This bill would appropriate \$1 million from the Contractors' License Fund to the CSLB for this purpose. AB 3384 passed the Assembly on June 9.

AB 3789 (Eastin), providing that failure of an unlicensed contractor to comply with a final citation from the CSLB is a misdemeanor, passed the Assembly and is pending in the Senate Business and Professions Committee.

AB 3841 (Eastin), as amended May 18, would provide 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. The bill would also authorize the registrar to affirm, set aside, or stay an automatic suspension of a contractor's license for failure to pay a civil penalty or to comply with an order of correction. This bill is pending in the Senate Business and Professions Committee.

AB 3953 (Eastin). Existing law exempts from the provisions of the Contractors' License Law, among others, an owner of property, building or improving structures thereon, who contracts for the project with a licensed contractor. As amended May 31, this bill would provide that this exemption shall apply to the construction of single-family residential structures only if four or fewer of these structures are intended or offered for sale. This bill is pending in the Senate Business and Professions Committee.

AB 3969 (Hauser) would prohibit a



contractor or 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 performing subsequent corrective work on that property. This bill passed the Assembly on June 9.

AB 4244 (Farr), as amended April 28, would exempt from the Contractors' License Law work conducted by gas, heat, or electrical corporations conducted on the properties of significant electrical or gas customers of such a corporation. This bill is still pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

AB 4274 (Bane) has been substantially amended and pertains only to structural pest control operators.

AB 4310 (Eastin), which would require a plastic card to be issued to contractors upon their licensure, passed the Assembly on June 9.

AB 4427 (Ferguson), which would require rebates to be paid to CSLB licensees when the Contractors' License Fund exceeds \$1 million, is still pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

AB 4456 (Polanco), which would have required the CSLB to establish a special public works unit to investigate complaints against contractors performing work for the state, failed passage in the Assembly Committee on Governmental Efficiency and Consumer Protection.

RECENT MEETINGS:

At its April 13 meeting in Palm Springs, the Licensing Committee conducted a workshop to review the application form and the experience requirements for licensure. Many suggestions were made regarding changes to the application. A staff proposal to eliminate the Certificate of Experience and incorporate that form onto the application form itself was accepted by the Committee pending approval of the form.

Also at that meeting, the Committee recommended that criminal background checks be performed on all applications referred for investigation. Staff was directed to check into the feasibility of such a proposal.

FUTURE MEETINGS:

To be announced.

BOARD OF COSMETOLOGY

Executive Officer: Denise Ostton
(916) 445-7061

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:

Ostton Approved as Executive Officer. On May 23, Department of Consumer Affairs (DCA) Director Michael Kelley informed Denise Ostton that she has been approved as BOC's Executive Officer. (For related discussion, see *supra* agency report on DEPARTMENT OF CONSUMER AFFAIRS; see *infra* LITIGATION.)

Continuing Education Requirements. At its April 17 meeting in Oakland, the Board reviewed a status update on continuing education requirements for cosmetology instructors. The Board noted that a February 29 panel discussion on the subject was attended by almost thirty school owners and instructors, as well as Executive Officer Denise Ostton, Board member Marlene Brocker, and BOC program analyst Jeff Weir. The panel discussion was intended to clarify the requirements of the law and regulations regarding continuing education for cosmetology instructors.

Effective January 1, 1989, cosmetology instructors must show proof of completion of thirty hours of continuing education. The Board is concerned because thus far, few continuing education courses have been submitted to the Board for approval. Only one package of courses, offered by Cosmetology Instructors Symposium Services, had been certified by April 17.

Cosmetology Exam Project. DCA's Central Testing Unit has completed validation of written examinations for cos-

metologists, instructors, manicurists, cosmeticians, and electrologists. Six hundred exam questions were reviewed with 48% of those questions targeted for revision at a later date.

Regulatory Changes. The Board is contemplating several changes to its regulations, contained in Chapter 9, Title 16 of the California Code of Regulations.

One package of proposed changes would substantially amend the Board's health and safety rules regarding disinfection and sterilization. Sections affected include sections 979 (disinfection of non-electric instruments), 980 (disinfection of electrical instruments), 981 (sterilization of electrolysis instruments), and 982 (disinfection of manicuring instruments).

A second regulatory package proposes amending section 990, to increase the renewal fee for cosmetology establishment and individual licenses, as well as the delinquency renewal fee.

A third package proposes to amend sections 911.4 (satellite classrooms), 919.7 (student access to school records), and 919.8 (school records).

The changes were to be discussed at a formal hearing, scheduled for July 17 in San Diego.

LEGISLATION:

SB 1884 (Morgan), as amended June 13, would require the BOC to complete a study by March 1989 to determine the feasibility of establishing a tuition recovery fund for students attending schools of cosmetology. This bill is pending in the Assembly Education Committee.

SB 2472 (Montoya) would require that all written instructions given during BOC's licensing examination be available in Vietnamese. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

SB 2546 (Rosenthal), as amended April 7, would extend the January 1, 1989 sunset provision in the statute providing for the licensure of mobile cosmetology units to January 1, 1992. This bill is pending in the Assembly Committee on Governmental Efficiency and Consumer Protection.

LITIGATION:

Board of Cosmetology (BOC) and Denise Ostton v. Michael Kelley, No. 358630 (Sacramento Superior Court), concerns DCA Director Michael Kelley's failure to either approve or disapprove BOC's August 1987 appointment of Denise Ostton as the Board's permanent executive officer (EO). At this writing, the lawsuit was scheduled for a July 16