CONTRACTORS STATE LICENSE BOARD

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Protection of the public shall be the highest priority for the Contractors State License Board in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

- Business and Professions Code § 7000.6

reated in 1929, the Contractors' State License Board (CSLB) licenses and regulates construction contractors, handles consumer complaints, and enforces existing laws pertaining to contractors. A consumer protection agency within the Department of Consumer Affairs (DCA), CSLB is authorized pursuant to the Contractors' State License Law (CSLL) and Business and Professions Code section 7000 et seq.; the Board's regulations are codified in Division 8, Title 16 of the California Code of Regulations (CCR). CSLB licenses almost 300,000 contractors in California.

CSLB licenses and regulates contractors in <u>44 classifications</u> that make up the construction industry. In addition, the Board registers home improvement salespersons who market contractor services to consumers. The 15-member Board consists of one general engineering contractor, two general building contractors, two specialty contractors, one member from a labor organization representing building trades, one local building official, and eight public members (including one who represents a statewide senior citizen organization). Under Business and Professions Code section 7002(b), a representative of a labor organization is eligible to serve as a public member of CSLB. The Board currently maintains five committees: executive, enforcement, licensing, legislation, and public affairs.

On March 29, 2023, Governor Gavin Newsom appointed Amanda Gallo to CLSB, as a

California Regulatory Law Reporter ♦Volume 28, No. 2 (Spring 2023) ♦ Covers November 16, 2022–April 15, 2023 public member. Gallo is a current member of the Municipal Management Association of Northern California, Emerge California, and the New Leader's Council in Oakland.

At this writing, there are currently three board member vacancies: two public members and one specialty contractor.

LEGISLATION

• <u>AB 1204 (Holden)</u>, as introduced February 16, 2023, would add section 7035 to the Business and Professions Code. This bill would prohibit a contractor from contracting with two or more subcontractors in the same license classification for the same work at the same jobsite, unless the subcontractor has employees who perform work in that license classification. Additionally, the act would require a specialty contractor to be a signatory to a collective bargaining agreement. *[A. B&P]*

• <u>SB 630 (Dodd)</u>, as introduced on February 16, 2023, would amend section 7095 of, and add section 7083.2 to the Business and Professions Code with the purpose of updating outdated communication requirements, such as the use of mail service, which can cause a delay in obtaining information from CSLB and is also costly to the Board. This CSLB-sponsored act would require an applicant, registrant, or licensee that has a valid email address to provide that address to CSLB at the time of application or renewal. The amended section would also clarify that if specified probationary conditions and terms are imposed, CSLB may revoke a license if probationary conditions and terms are insupport that "re-imposing revocation for failing to meet terms of probation would strengthen consumer protection by incentivizing compliance with probationary conditions" *[S. Jud]*

• <u>AB 1383 (Ortega)</u>, as introduced February 17, 2023, would add section 7105 to the Business and Professions Code with the purpose of requiring CSLB by January 25, 2025, to adopt

California Regulatory Law Reporter &Volume 28, No. 2 (Spring 2023) & Covers November 16, 2022–April 15, 2023 regulations to provide for the withholding issuance or renewal of a license application if the individual is not in compliance with a child support order or judgment. This State Building and Construction Trades Council-sponsored bill would require CSLB to adopt regulations of procedures for the suspension of the license of the licensee who is out of compliance. AB 1383 would also require licensees to notify CSLB within 120 days of any court-ordered earnings assignment for child support. [A. B&P]

• <u>AB 336 (Cervantes)</u>, as amended April 12, 2023, would add section 7125.6 to the Business and Professions Code to require contractors to report their workers' compensation insurance classification code or codes as a condition of licensure. This District Council of Iron Workers of California-sponsored bill would require CSLB to publicly post which of the three workers' compensation classifications their licensee contractors are in to alleviate the lack of transparency and "ensure that licensee contractors provide their employers with the proper level of workers' compensation insurance." CLSB would not be responsible for verifying classification codes provided by licensees and is not liable for posting any classification codes that licensees misreport. *[A. Appr]*

• <u>SB 601 (McGuire)</u>, as amended March 22, 2023, would amend section 7159.3 of the Business and Professions Code, and would amend section 802 of the Penal Code relating to professions and vocations. This bill would require a home improvement contract by a prime contractor for the reconstruction, restoration, or rebuilding of a residential property that was damaged or destroyed by a natural disaster, to include a provision that requires the prime contractor to file separate performance and payment bonds that must conform to the required criteria. The bill would subject a prime contractor to disciplinary action for the failure to comply with the performance and payment bond requirement. The bill contains language that would add violations

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for fraudulent or misrepresented licenses with a three-year statute of limitations period. CSLB has received many complaints from consumers in disaster areas who were harmed by dishonest contractors. The bill would extend the statute of limitations for the unlawful use of a contractor's license, for current law prevents CSLB "from taking appropriate action against a licensee because disaster recovery often takes years and the CSLB may not receive a consumer complaint within the one-year statute of limitations." The bill would increase the monetary fine for the unlawful use of a contractor's license "to not less than \$5,000, not more than \$15,000." *[S. PubSafe]*