

JUNE 23, 2023
LAS VEGAS, NEVADA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 2





CONTRACTORS STATE LICENSE BOARD

9821 Business Park Drive, Sacramento, California 95827
Mailing Address: P.O. Box 26000, Sacramento, CA 95826
800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

STATE OF CALIFORNIA

Governor Gavin Newsom

NOTICE OF PUBLIC BOARD MEETING

Day 1: June 22, 2023, 1:00 p.m. – 4:30 p.m. (or until the conclusion of business)

Teleconference Information to Register/Join Meeting for Members of the Public via
WebEx:

WebEx Link:

<https://cslb.webex.com/cslb/j.php?MTID=m7b6bbbdacfd69118db1a1fc0b84c5e04>

Event password: Vw2ki5Bfmm3 (89254523 from phones)

Join by phone

(844) 621-3956 United States Toll Free

(415) 655-0001 US Toll

Access code: 255 792 33344#

MEETING LOCATION

Carpenters International Training Center

B216 - B217 Ballrooms

212 Carpenters Union Way

Las Vegas, Nevada 89119

Day 2: June 23, 2023, 8:30 a.m. – 11:30 a.m. (or until the conclusion of business)

Teleconference Information to Register/Join Meeting for Members of the Public via
WebEx:

WebEx Link:

<https://cslb.webex.com/cslb/j.php?MTID=m6996e74f971c1003d9a3656c50ad2aa1>

Event password: EHeb9Fv3t52 (34329383 from phones)

Join by phone

(844) 621-3956 United States Toll Free

(415) 655-0001 US Toll

Access code: 255 518 24004#

MEETING LOCATION

Carpenters International Training Center

B216 - B217 Ballrooms

212 Carpenters Union Way

Las Vegas, Nevada 89119

Meetings are open to the public except when specifically noticed otherwise in accordance with the Bagley-Keene Open Meeting Act. All times when stated are approximate and subject to change without prior notice at the discretion of the Board unless listed as “time certain.” Items may be taken out of order to maintain a quorum, accommodate a speaker, or for convenience. **Action may be taken on any item listed on this agenda, including information-only items.** The meeting may be canceled without notice.

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

Members of the public may, but are not obligated to, provide their names or personal information as a condition of observing or participating in the meeting. When signing into the WebEx platform, participants may be asked for their name and email address. Participants who choose not to provide their names will need to provide a unique identifier such as their initials or another alternative, so that the meeting moderator can identify individuals who wish to make public comment; participants who choose not to provide their email address may utilize a fictitious email address like in the following sample format: XXXXX@mailinator.com.

The meeting will also be live webcast (with an approximate 30-second delay). Links are available at the end of this agenda.

MEETING AGENDA – Day 1

Thursday, June 22, 2023 – 1:00 p.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Presentation of Certificates of Recognition – May Include Oral Presentations
Commemorating Board Member
- D. Executive
 - 1. Review and Possible Approval of the March 21, 2023, Board Meeting Minutes
 - 2. Review, Discussion, and Action on Nominations Committee Recommendations for Election of 2023-24 Board Officers
 - 3. 2023 Sunset Subcommittee Appointments
 - 4. Registrar’s Report

- a. Review, Discussion and Possible Action on Efforts to Retain Consultant(s) to Research the Scope of Unlicensed Practice and Resource Needs; and Perform a Special Investigator Workload Study
- 5. CSLB Budget Update
- 6. Review, Discussion, and Possible Action on 2022-24 Administrative and Information Technology Strategic Plan Objectives
- 7. Administration Update Regarding Personnel and Facilities
- 8. Information Technology Update
- 9. Review, Discussion and Possible Action on 2022 Board Member Administrative Procedure Manual, Chapter 6, Legislation (Board Policy), Changes

E. Legislation

- 1. Update, Review, Discussion and Possible Action on 2022-24 Legislative Strategic Plan Objectives
- 2. Review, Discussion and Possible Action on 2023 Pending Legislation
 - a. AB 336 (Cervantes, 2023) – Contractors: workers’ compensation insurance (classification codes on CSLB renewal)
 - b. AB 968 (Grayson, 2023) – Single-family residential property: disclosures (work done on house prior to selling)
 - c. AB 1204 (Holden, 2023) – Contractors: contracts: restrictions (on subcontracting to other subcontractors in same license class)
 - d. AB 1383 (Ortega, 2023) – Contractors: discipline: noncompliance with child support obligations
 - e. SB 544 (Laird, 2023) – Bagley-Keene Open Meeting Act: teleconferencing
 - f. SB 601 (McGuire, 2023) – Professions and vocations: contractors: home improvement contracts: prohibited business practices: limitation of actions
 - g. SB 630 (Dodd, 2023) – Contractors State License Board: regulation of contractors (probationary authority and collection of licensee emails)
- 3. Review, Discussion and Possible Action on Amendments to Business and Professions Code Section 7071.4 to Address Board Exposure to Risk of Liability for Attorney Fees in Litigation Involving a Deposit in Lieu of Bond (Karton v. Ari Design & Construction (61 Cal.App.5th 734 (2021)))
- 4. Regulations
 - a. Review, Discussion and Possible Action on Sprinkler Fitters Association of California Petition (Pursuant to Government Code Sections 11340.6 and 11340.7) to Amend Section 832.16 of Title 16, Division 8, Article 3 of

- the California Code of Regulations (C-16 Fire Protection Contractor Classification) to Include “Fire Fighter Air Replenishing Systems”
- b. Review, Discussion and Possible Action on Section 100 Rulemaking Proposal to Raise Fine Maximums to Conform to Business and Professions Code Section 7099.2

F. Enforcement

1. Update, Review, Discussion and Possible Action on 2022-24 Enforcement Strategic Plan Objectives
2. Enforcement Program Update
3. Update on the Solar Energy System Restitution Program

G. Licensing

1. Update, Review, Discussion and Possible Action of 2022-24 Licensing and Testing Strategic Plan Objectives
2. Licensing and Testing Program Statistical Update

H. Public Affairs

1. Update, Review, Discussion and Possible Action on 2022-24 Public Affairs Strategic Plan Objectives
2. Public Affairs Update

I. Adjournment

MEETING AGENDA DAY 2

Friday, June 23, 2023 - 8:30 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s Introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Presentation by CSLB Chair Mary Teichert Regarding Women in Construction and Discussion Concerning Opportunities to Recruit Women in Leadership Roles
 2. Discussion Regarding NSCB and CSLB Laws and Processes Related to Applicant Background Checks and Requirements for Licensure

3. Discussion and Comparison of NSCB and CSLB Requirements Concerning Workers' Compensation Insurance
4. Presentation Related to the Brightline West Rail Project and Discussion Concerning Nevada/California Partnerships Regarding Cross Border Projects
5. Discussion Concerning the Public Benefit of Licensure and Efforts to Promote Consumer Awareness Regarding the Importance of Hiring Licensed Contractors
6. Discussion Concerning NSCB and CSLB Partnering Opportunities

D. Adjournment

Note: The Board intends to provide a live webcast of the meeting. Please be aware there will be an approximate thirty (30) second delay in the webcast. The webcast can be found at www.cslb.ca.gov or on the board's YouTube Channel: <https://www.youtube.com/user/ContractorsBoard/>. Webcast availability cannot be guaranteed due to limitations on resources or technical difficulties. The meeting will not be canceled if webcast is not available. Meeting adjournment may not be webcast if adjournment is the only item that occurs after a closed session.

The meetings are accessible to those needing special accommodation. A person who needs a disability-related accommodation or modification in order to participate in the meetings may make a request by calling (916) 255-4000, or emailing Mariah.Rovera@cslb.ca.gov, or mailing a request for an accommodation to: Contractors State License Board, 9821 Business Park Drive, Sacramento, CA, 95827. Providing your request at least five business days prior to the meetings will help ensure availability of the requested accommodation.

Instructions for Public Participation in CSLB Teleconference Meeting

The instructions below are for members of the public who want to participate in CSLB's upcoming teleconference meeting, being held via Cisco WebEx. The registration link is on the meeting agenda. There are two ways for you to participate:

1. With Computer, Tablet, or Smart Phone with WebEx
2. With Telephone, not over WebEx

Instructions for each are outlined below.

Please note: In order to participate with a computer, tablet, or smart phone you may need to install a software program. If registering before the meeting, please load this on your computer, tablet, or smart phone at that time. If not, please join at least 15-30 minutes before the meeting starts to give you time to do this.

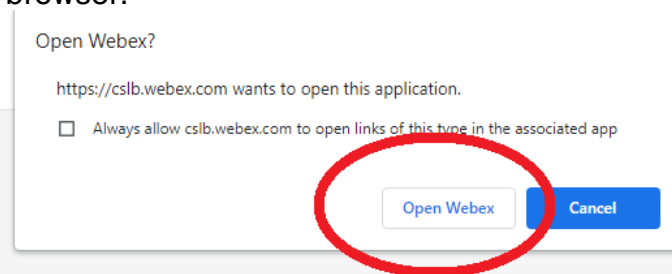
You also will find specifics on how to offer public comment below.

To Watch Meeting & Participate with Computer, Tablet, or Smart Phone with WebEx

This option will provide you live “real time” audio and video of the meeting.

You can join within 30 minutes of the meeting’s start time or while the meeting is in progress:

1. Click on the link provided on the meeting agenda. You will be prompted to either use the WebEx application, or you can choose to join the meeting in your web browser.



Click **Open Webex** on the prompt.

If the prompt doesn't appear, click **Launch Webinar** instead.

Launch Webinar

Don't have Webex? [Download it now.](#)

Having trouble with the app? [Join from your browser.](#)

2. Once you’ve made your selection, enter a name and email address in the appropriate fields.

Please note that the name and email address **do not** have to be your real identity. But, the meeting host will use the name you enter to let you know

when it is your turn to speak during the meeting. So, if you use a different name to identify yourself, be sure to remember that name when you are called upon to speak.

3. When joining the meeting, you will choose how you want to get audio. Your choices are: Through your computer; have WebEx call your phone; or you call WebEx. The phone numbers and meeting access code are provided on the meeting agenda.

To Join with Telephone (Not over WebEx)

Call one of the two phone numbers provided on the meeting agenda. Enter the meeting access code when prompted.

To Offer Public Comment During the Meeting

There will be a public comment section during the meeting. The public also will have the opportunity to offer comment during each agenda item.

For those listening to phone and not on WebEx

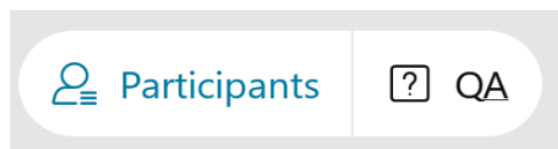
If you want to offer public comment, press *3 on your phone to raise your hand. You'll hear the prompt, "You have raised your hand to ask a question. Please wait to speak until the meeting host calls on you." If you no longer want to comment, or after the host calls upon you, press *3 again to lower your hand. You will hear a message, "You have lowered your hand."

When the host calls on you to offer your comment, your line will be unmuted, and you will be able comment. At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time to be allotted for each public comment.

For those on WebEx with Computer, Tablet, or Smart Phone

Throughout the meeting, any members of the public may indicate they would like to offer comment on a specific agenda item.

Be sure to activate your Q&A feature at the bottom right of your screen.



If you would like to offer public comment on a specific agenda item, send the host a message at any time during that item stating:

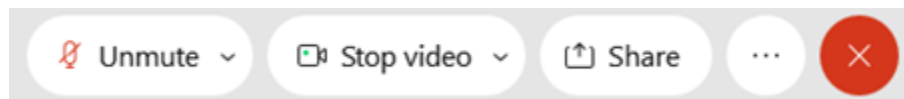
“I would like to make a comment on this item.”

The host will call on the public in the order requests are received. When it is your turn, the host will announce your name, or the name you indicated when you registered, and will unmute your line, allowing you to make your public comment.

At the end of your comment, or when your allotted time ends, the line will again be muted. During the meeting, the chair will announce the time allotted for each public comment. The host will note this in the chat as well.

Leaving the Meeting

At either the conclusion of the meeting, or anytime you wish to leave, you can do so by clicking on the red circle with X in it at the bottom of your screen. After confirming, you will be disconnected from the meeting.



For those calling in on telephone without WebEx, simply hang up.

ADDITIONAL ASSISTANCE

- **WebEx Troubleshooting Info**
<https://help.webex.com/en-us/WBX9000018881/Troubleshooting-Meetings>
- **WebEx Guide for Setting Up Your Audio**
<https://help.webex.com/en-us/nt2ig0y/Choose-Your-Audio-and-Video-Settings-Before-You-Join-a-Webex-Meeting-or-Event-Slow-Channel>

Thank you for your interest in participating in a CSLB teleconference meeting.



CONTRACTORS STATE LICENSE BOARD

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AGENDA ITEM A

Call to Order, Roll Call, Establishment of Quorum and Chair's Introduction

Roll is called by the Board Chair or, in his/her absence, by the Board Vice Chair or, in his/her absence, by a Board member designated by the Board Chair.

Eight members constitute a quorum at a CSLB Board meeting, per Business and Professions Code section 7007.

Board Member Roster

RODNEY M. COBOS

DIANA LOVE

DAVID DE LA TORRE

MICHAEL MARK

MIGUEL GALARZA

STEVEN PANELLI

AMANDA GALLO

JAMES RUANE

SUSAN GRANZELLA

JOHNNY SIMPSON

ALAN GUY

MARY TEICHERT

JACOB LOPEZ



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)). Public comments will be taken on agenda items at the time the item is heard and prior to the CSLB taking any action on said items. Total time allocated for public comment may be limited at the discretion of the Board Chair.

BOARD AND COMMITTEE MEETING PROCEDURES

To maintain fairness and neutrality when performing its adjudicative function, the Board should not receive any substantive information from a member of the public regarding matters that are currently under or subject to investigation, or involve a pending administrative or criminal action.

- (1) If, during a Board meeting, a person attempts to provide the Board with substantive information regarding matters that are currently under or subject to investigation or involve a pending administrative or criminal action, the person shall be advised that the Board cannot properly consider or hear such substantive information and the person shall be requested to refrain from making such comments.
- (2) If, during a Board meeting, a person wishes to address the Board concerning alleged errors of procedure or protocol or staff misconduct involving matters that are currently under or subject to investigation or involve a pending administrative or criminal action:
 - (a) The Board may designate either its Registrar or a board employee to review whether the proper procedure or protocol was followed and to report back to the Board once the matter is no longer pending; or,
 - (b) If the matter involves complaints against the Registrar, once the matter is final or no longer pending, the Board may proceed to hear the complaint in accordance with the process and procedures set forth in Government Code section 11126(a).
- (3) If a person becomes disruptive at the Board meeting, the Chair will request that the person leave the meeting or be removed if the person refuses to cease the disruptive behavior.



AGENDA ITEM C

Joint Discussion with Nevada State Contractors Board (NSCB)





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Comparison of CSLB and NSCB Regulations/Operations

	California			Nevada		
Year Started	1929			1941		
# of Board Members	15			7		
Board Member Makeup	Ten Public Members <ul style="list-style-type: none"> • One Labor Representative • One Building Official • One Senior Citizen Organization Five Contractor Members <ul style="list-style-type: none"> • One "A" Engineering Contractor • Two "B" General Contractors • Two "C" Specialty Contractors 			One Public Member Six Contractor Members		
Board Member Appointing Authority	Governor: 11 Members Senate Pro Tempore: 2 Public Members Assembly Speaker: 2 Public Members <i>All members serve four-year terms</i>			Governor: All 7 members <i>All members serve three-year terms</i>		
Budget (fiscal year 2022-23)	\$ 79,897,000			\$7,212,950.00		
Staff Size	425			54		
# of Licensees		As of 6/1/2023	Change from 7/1/2022		As of 5/31/2023	Change from 6/30/2022
	Active:	236,111	Down 84	Active:	17,541	Up 125
	Inactive:	48,436	Down 1,803	Inactive:	431	Up 78
	Total:	284,547	Down 1,887	Total:	17,972	Up 47
# of New Applications (fiscal year 2022-23)	37,378 (as of 4/31/23)			2,164 (as of 5/31/23)		
Develop Exams / Administer Exams	Yes 20 PSI-run Test Centers in California CA Contractor Exams offered in Oregon and Nevada Fiscal Year 2022-23 (through 5/31/2023) 16,273 Law exams administered 21,861 Trade exams administered			Yes 3 PSI-run Test Centers in Nevada NV Contractor Exams offered in 42 states 209 PSI Test Centers nationwide Fiscal Year 2022-23 (through Q3) 1,155 CMS exams administered by PSI 1,172 Trade exams administered by PSI		



CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

	California	Nevada
# of Renewal Applicants (fiscal year 2022-23)	97,093 (as of 4/31/23)	7,456 (as of 5/31/23)
Cost of Original Application / Exam / Initial License	Application: \$450 Initial License (Sole Owner): \$200 Initial License (Non-Sole Owner): \$350	Application: \$300 Initial License: \$600
Criminal Background Checks	Yes	Yes
Time Until License is Renewed	Two Years	Two Years
Cost of Renewal	Renewal (Sole Owner): \$450 Renewal (Non-Sole Owner): \$700	\$600
Surety Bond	Yes	Yes
Workers' Compensation Insurance	Yes	Yes
General Liability Insurance	Yes (only if LLC)	No
Handyman Exemption	Yes Less Than \$500	Yes Less Than \$1,000
Exam Waivers Availabilities "Reciprocity" "Endorsement"	Yes – 3 States Arizona, Louisiana, Nevada	Yes – 12 States Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia
# of Complaints (fiscal year 2022-23)	Licensed: 14,690 (as of 5/31/23) Unlicensed: 3,857 (as of 5/31/23)	Licensed: 1,654 (as of 5/31/23) Unlicensed: 744 (as of 5/31/23)
Recovery Fund	Yes Solar	Yes Residential
Amount of Restitution Recovery / Recovery Funds Awarded (fiscal year 2022-23) Since Inception	(through 5/31/23) \$49,665,623 General Restitution \$3.93 million Solar Recovery Fund	(through 5/31/23) \$507,857.63 \$14,722,964.63
# of Licenses Revoked (fiscal year 2022-23)	475 (as of 5/31/23)	28 (as of 5/31/23)

AGENDA ITEM C-1

Presentation by CSLB Chair
Mary Teichert Regarding Women
in Construction and Discussion
Concerning Opportunities to Recruit
Women in Leadership Roles





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Presentation by CSLB Chair Mary Teichert Regarding Women in Construction and Discussion Concerning Opportunities to Recruit Women in Leadership Roles

The Contractors State License Board is committed to increasing participation of women in the industry. On March 30, 2022, the Board adopted a 2022-2024 Strategic Plan objective to assess barriers to licensure for women and minorities and create an outreach plan to increase license diversity. To promote this objective, CSLB includes resources for Women in Construction in all its Get Licensed to Build workshops.

The Board is currently led by women in the positions of Chair and Vice Chair. Board Chair Mary Teichert, president of Teichert Inc., has championed opportunities to increase diversity and the role of women in the construction and devoted to sharing and developing strategies to encourage women to develop careers in the industry and how to create a successful construction business by becoming a licensed contractor.

According to the California state legislature, women currently occupy only 10 percent of all apprenticeships and less than 3 percent of construction trade jobs nationally. Chair Teichert worked with CSLB staff to develop a data assessment of CSLB's license population.

As CSLB does not collect demographic data from applicants or licensees, this was done by volunteer survey, which was distributed to over 13,000 licensees who obtained their license in the last year. A total of 2,362 responses were received, and 8% of respondents were female. Of those, 44% were the president of their company, 31% were the CEO, and 24% were the qualifier. The full survey results follow this introduction.

CSLB staff is honored to have Chair Teichert present further on this topic to kick off our joint meeting with the Nevada State Contractors Board.



CONTRACTORS STATE LICENSE BOARD

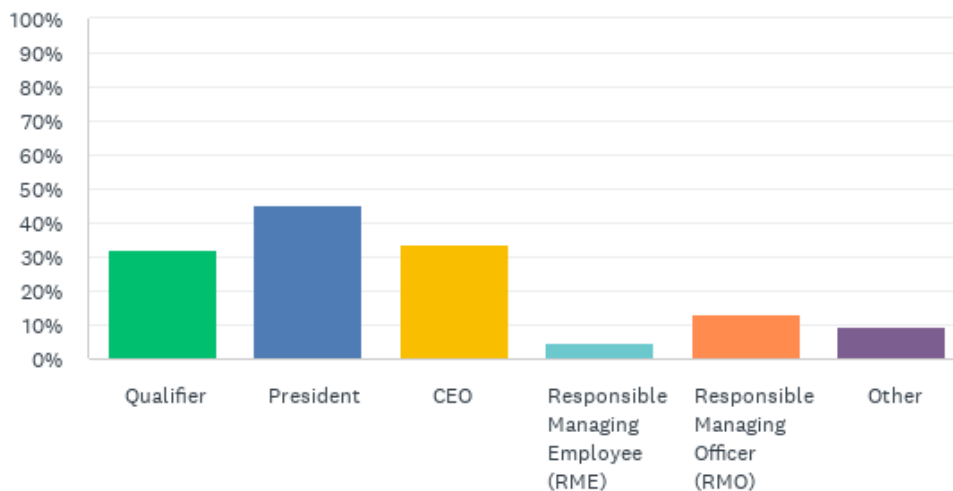
JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Applicant Demographic Survey Summary

In April 2023, Testing Division staff sent out a survey to individuals who received their license with the Contractors State License Board (CSLB) between March 2022 and March 2023. The purpose of the survey was to gather demographic information from the licensees. The survey included questions about the position held in the company, age, gender, race/ethnicity, disability, and military affiliation. The licensees were given about 6 weeks to respond to the survey. The last page of the survey also includes information about how to participate as a Subject Matter Expert (SME) in the exam development process. The Applicant Demographic Survey can be seen in Appendix A.

A total of 13,385 surveys were emailed and 2,362 (18%) responses were received. For question 1, about 45% of respondents are the president of their company, 34% are the CEO, 32% are the qualifier, 13% are the responsible managing officer (RMO), and 9% chose "Other" (respondents were allowed to pick more than one option).

Q1 What position do you hold in the company? (Please check all that apply.)





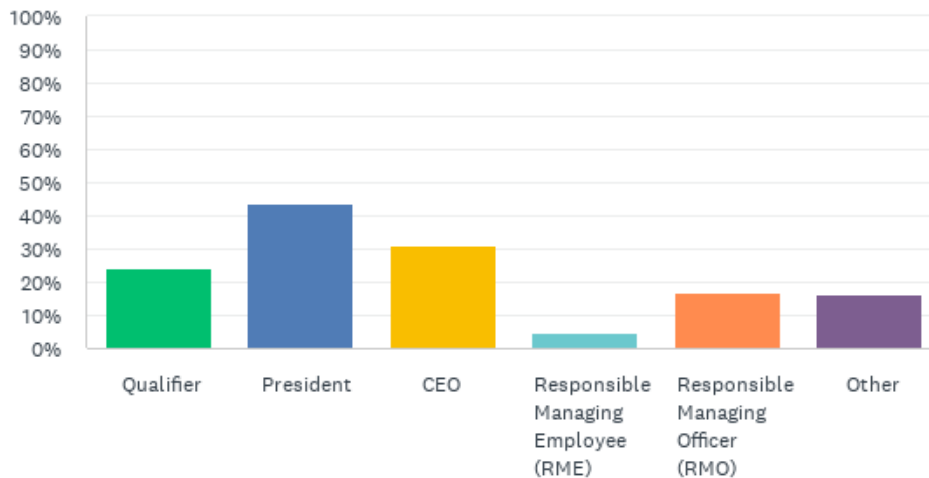
CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

For question 1, focusing only on the 188 (8%) female respondents, about 44% are the president of their company, 31% are the CEO, 24% are the qualifier, 17% are the responsible managing officer (RMO) and 16% chose “Other” (respondents were allowed to pick more than one option).

Q1 What position do you hold in the company? (Please check all that apply.)

Answered: 188, Skipped: 1



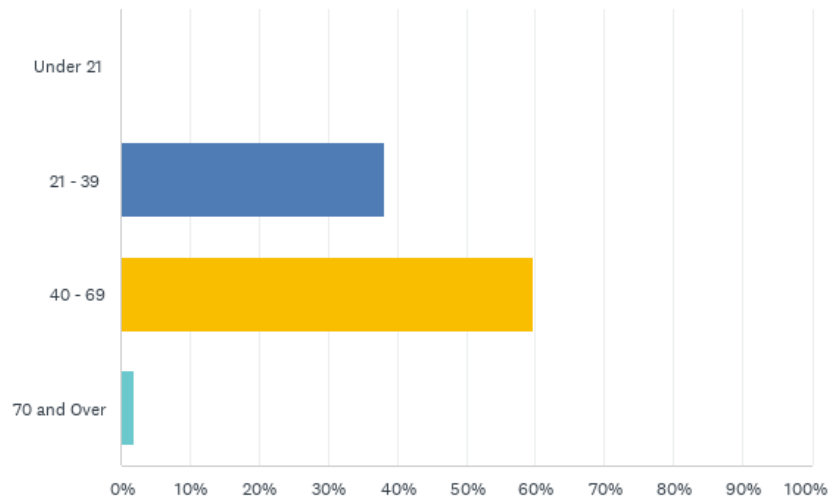


CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

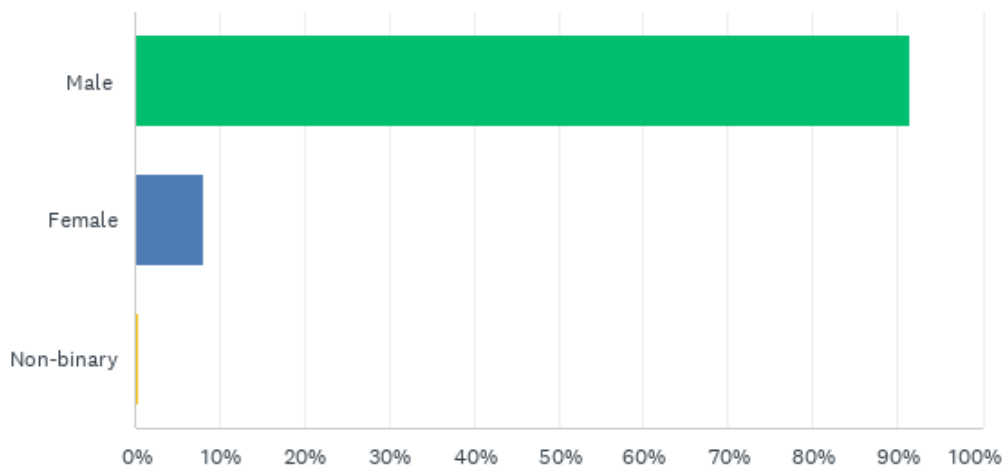
For question 2, most respondents (60%) are between the ages of 40 and 69, about 38% are between the ages of 21 and 39, and 2% are 70 and over.

Q2 Age



For question 3, about 92% of the respondents are male, 8% are female, and 0.34% are non-binary.

Q3 Gender



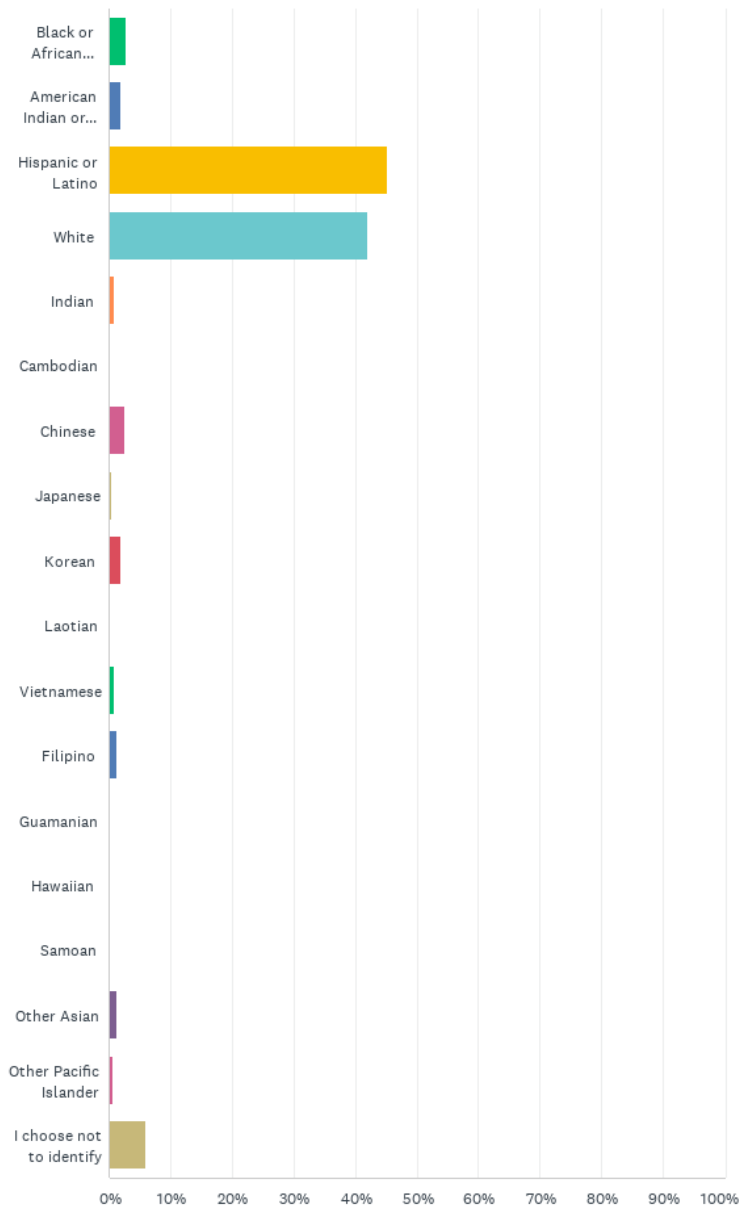


CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

For question 4, about 45% identify as Hispanic or Latino, 42% identify as White, 6% chose not to identify, 2.7% identify as Black or African American, and 2.5% identify as Chinese (respondents were allowed to pick more than one option.)

Q4 Please check one or more boxes that best describes your race/ethnicity heritage:





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

For question 5, 92 (4%) respondents reported having a disability. For question 6, 107 (5%) respondents reported having some type of military affiliation.



CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Appendix A: Applicant Demographic Survey



**CONTRACTORS
STATE LICENSE BOARD**

Applicant Demographic Survey

Introduction Section

The Contractors State License Board (CSLB) is conducting a brief survey to collect demographic data from applicants who received their license within the past year.

Would you please take a few minutes to respond to the following survey? Your response helps CSLB to better understand our applicants. You must be the qualifier, president, or sole owner to complete the survey.

When you are finished, click on the "DONE" button at the bottom of the next page to forward your responses to the Board.

Please respond by Friday, May 19.

Thank you for taking the time to participate in this survey!

Contractors State License Board



CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD



CONTRACTORS STATE LICENSE BOARD

Applicant Demographic Survey

Demographic Information

The information you provide here is voluntary and confidential. It will be treated as personal information subject to the Information Practices Act (Civil Code, section 1798 et seq.) and will be used only for the purpose of analyzing the data from the survey. The information disclosed will remain confidential and will not be disclosed to the public unless required by state law, court order, or subpoena. If you have any questions regarding this form or how CSLB uses this information, please contact CSLB's Testing Division at (916) 255-3221 or at CSLB_Testing_Division@cslb.ca.gov.

What position do you hold in the company? (Please check all that apply.)

- Qualifier
- President
- CEO
- Responsible Managing Employee (RME)
- Responsible Managing Officer (RMO)
- Other

Age

- Under 21
- 21 - 39
- 40 - 69
- 70 and Over

Gender

- Male
- Female
- Non-binary

Please check one or more boxes that best describes your race/ethnicity heritage:

- Black or African American
- American Indian or Alaska Native
- Hispanic or Latino
- White
- Indian
- Cambodian
- Chinese
- Japanese
- Korean
- Laotian
- Vietnamese
- Filipino
- Guamanian
- Hawaiian
- Samoan
- Other Asian
- Other Pacific Islander
- I choose not to identify



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JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Disability- A person with a disability is an individual who:

(1) has a physical or mental impairment or medical condition that limits one or more life activities, such as walking, speaking, breathing, performing manual tasks, seeing, hearing, learning, caring for oneself or working;

(2) has a record of history of such impairment or medical condition; or

(3) is regarded as having such an impairment or medical condition.

Please check the disability box if it applies to you:

Yes, I have a disability

Military- A military veteran; a widow or widower of a veteran; or a spouse of a 100% disabled veteran.

Please check the military box if it applies to you:

Yes, I have served in the United States Military



CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD



**CONTRACTORS
STATE LICENSE BOARD**

Applicant Demographic Survey

Thank you for completing the Applicant Demographic Survey.

Every five years, the Contractors State License Board (CSLB) updates each of its licensing examinations and recruits active licensed contractors to assist with the process.

All participation is voluntary; your license is not affected by participation. Examination development workshops are conducted in-person and participants are paid \$150 per 8-hour day. Participants are also reimbursed for qualifying travel expenses.

If you would be interested in learning more about how your experience and expertise can help improve our exams, please email us at cslb_testing_division@cslb.ca.gov with the following:

- Contact information (name, phone number, email)
- License number(s)
- Trades/specialty classifications you hold

Thank you
CSLB Testing Division

AGENDA ITEM C-2

Discussion Regarding NSCB and CSLB Laws and Processes Related to Applicant Background Checks and Requirements for Licensure





CONTRACTORS STATE LICENSE BOARD

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Discussion Regarding NSCB and CSLB Laws and Processes Related to Applicant Background Checks and Requirements for Licensure

History of Fingerprint Requirements at CSLB

Since January 1, 2005, all individuals listed as personnel of record on an original application, an application to add a classification to an existing license, an application to replace the qualifier, an application to report new officers, and an application for registration as a home improvement salesperson are required to submit fingerprints to CSLB.

Prior to 2005, applicants were asked to simply disclose whether they had convictions. Some were truthful. Others were not. In a 2002 report to the legislature, CSLB stated that applicants have lied about their prior criminal history, and CSLB had no way of detecting these lies because it lacks the authority to require fingerprints of its license applicants. Some of these applicants have gone on to become licensees who have perpetrated massive frauds against the public. One applicant, Mark Lee Ross, of Crown Builders in San Diego, lied on his application about his criminal history. In a long line of cases, Ross defrauded numerous families of substantial amounts of money and disappeared. The county eventually filed criminal charges against Ross. The 2002 report was influential in CSLB securing statutory authority to require fingerprints.

CSLB now requires fingerprinting for any new applicant and for any existing licensee who modifies their license, such as changing the qualifier or adding a classification. However, current law does not require those who received a license prior to 2005 to submit fingerprints for criminal history background checks. Because the number of active licenses issued prior to 2005 continues to decline annually, the percentage of licensees who have not submitted fingerprints has also correspondingly declined. CSLB estimates that up to 60% of personnel on its active licensees are fingerprinted. The program has run smoothly since the authority was granted. The law in this period primarily provided that CSLB could deny a license for a crime substantially related to the qualifications, functions and duties of a contractor. Between 2014 and 2018, 216 applicants out of 23,123 with a criminal history were denied a license (or approximately 0.9%).

Present Day – Criminal Conviction Information at CSLB

In California, the legislature took a firm stance on removing barriers to licensure across all professions for those with criminal convictions who are rehabilitated. Assembly Bill 2138 (Chapter 995, Statutes of 2018) was passed by the legislature and signed by the Governor, and among other things, precludes state agencies from denying a license for:



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- convictions that were expunged, dismissed, or pardoned.
- arrests not leading to conviction.
- convictions over 7 years old (with exception for serious felonies, sex-related offences or financial crimes involving a breach of fiduciary duty).

The law also requires licensing agencies to consider whether an applicant with a conviction is rehabilitated and precludes agencies from asking applicants to self-disclose their convictions. CSLB can still deny for a criminal conviction that is substantially related to the profession but must consider all of the criteria above and more before issuing a denial.

CSLB is supportive of removing barriers to licensure. In 2019, the Board adopted a Strategic Plan objective to review barriers to licensure regarding criminal background information and make changes where possible. The chart below shows a decline in the number of applicants denied a license on the basis of conviction since 2018.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	TOTALS
DOJ Records Received	34,664	33,553	27,172	35,114	37,895	168,398
CORI Information Received	6,729	6,657	5,375	6,818	7,303	32,882
Denials	65	63	16	8	13	165

In 2022, CSLB denied a license in 0.1% of the applications of those with a criminal history. The AB 2138 criteria for state agencies to consider when reviewing a criminal conviction is extensive and is required to be published on the CSLB website. It is possible prospective applicants are deterred from applying if they do not understand, or do not believe they will meet, the criteria.



**Joint Discussion with California
Contractors State License Board
June 23, 2023**

AGENDA ITEM C-2

**Discussion regarding NSCB and CSLB laws and processes related to
applicant background checks and requirements for licensure**

- I. Statutory Authority for Use of Background Investigations in Consideration for Licensure
- II. NSCB Requirements for Licensure
- III. NSCB Processes Related to Applicant Background Checks

I. Statutory Authority for Use of Background Investigations in Consideration for Licensure

NRS 624.265 Good character of applicant or licensed contractor and certain associates; grounds for establishment of lack of good character; background investigation; confidentiality of results of background investigation; fee for processing fingerprints; Board may obtain criminal history.

1. An applicant for a contractor's license or a licensed contractor, each officer, director, partner and associate thereof, and any person who qualifies on behalf of the applicant pursuant to subsection 2 of [NRS 624.260](#) must possess good character. Lack of character may be established by showing that the applicant or licensed contractor, any officer, director, partner or associate thereof, or any person who qualifies on behalf of the applicant has:

(a) Committed any act which would be grounds for the denial, suspension or revocation of a contractor's license;

(b) A bad reputation for honesty and integrity;

(c) Entered a plea of guilty, guilty but mentally ill or nolo contendere to, been found guilty or guilty but mentally ill of, or been convicted, in this State or any other jurisdiction, of a crime arising out of, in connection with or related to the activities of such person in such a manner as to demonstrate his or her unfitness to act as a contractor, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal; or

(d) Had a license revoked or suspended for reasons that would preclude the granting or renewal of a license for which the application has been made.

2. Upon the request of the Board, an applicant for a contractor's license, any officer, director, partner or associate of the applicant and any person who qualifies on behalf of the applicant pursuant to subsection 2 of [NRS 624.260](#) must submit to the Board completed fingerprint cards and a form authorizing an investigation of the applicant's background and the submission of the fingerprints to the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation. The fingerprint cards and authorization form submitted must be those that are provided to the applicant by the Board. The applicant's fingerprints may be taken by an agent of the Board or an agency of law enforcement.

3. Except as otherwise provided in [NRS 239.0115](#), the Board shall keep the results of the investigation confidential and not subject to inspection by the general public.

4. The Board shall establish by regulation the fee for processing the fingerprints to be paid by the applicant. The fee must not exceed the sum of the amounts charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation for processing the fingerprints.

5. The Board may obtain records of a law enforcement agency or any other agency that maintains records of criminal history, including, without limitation, records of:

(a) Arrests;

(b) Guilty and guilty but mentally ill pleas;

(c) Sentencing;

(d) Probation;

- (e) Parole;
- (f) Bail;
- (g) Complaints; and
- (h) Final dispositions,

↳ for the investigation of a licensee or an applicant for a contractor's license.

II. NSCB Requirements for Licensure

All applicants are required to submit fingerprints and background disclosure statements as part of the application process. Applicants with criminal background are reviewed individually, on a case-by-case basis.

In determining whether to deny an application based on a criminal history, the NSCB typically looks at the following criteria:

- **Type of Offense** – The nature and seriousness of the crime.
- **Recidivism Potential** – The extent to which the occupation or profession might offer an opportunity to engage in further criminal activity of the same or similar nature.
- **Appropriateness** – The relationship of the crime to the ability, capacity or fitness required to perform the duties and discharge the responsibilities of the occupation.
- **Prior Offenses** – The extent and nature of the person's past criminal activity.
- **Age** – The age of the person at the time of the commission of the crime.
- **Time Passed** – The amount of time that has elapsed since the person's last involvement in the commission of a crime that resulted in a conviction.
- **Work History** – The conduct and work activity of the person prior to and following the criminal activity.
- **Rehabilitation** – Evidence of the person's rehabilitation or rehabilitative efforts.

A criminal conviction is not an automatic barrier to licensure.

III. NSCB Processes Related to Applicant Background Checks

A. Initial Review

1. Applications are initially reviewed by licensing staff for affirmative responses to pending or conviction charges. These applications are set aside pending results from background checks.
2. Initial review of criminal background history will be made by enforcement staff, at which time staff will determine if an applicant background interview is required to gather more information to make an informed recommendation to on whether to approve or deny the application.

B. Applicant Background Interview

1. Conducted by enforcement, the applicant is scheduled for an informal interview to learn more about the context and related details of criminal background findings.
2. Enforcement uses the interview process to informally assess an applicant's truthfulness, awareness/acknowledgment of the crime(s) committed, completed or ongoing rehabilitative efforts, likelihood to reoffend, lessons learned, etc. Based on the information shared during the interview, enforcement will make a recommendation concerning whether or not the application should be denied.

C. Denial of Application

1. Applicants who are denied licensure have a right to an appeal hearing pursuant to NRS 624.2545.

NRS 624.2545 Denial of application for issuance or renewal of license: Notice; request for hearing; hearing; delegation of authority to hearing officer; regulations.

1. If the Board denies an application for issuance or renewal of a license pursuant to this chapter, the Board shall send by certified mail, return receipt requested, written notice of the denial to the most current address of the applicant set forth in the records of the Board.

2. A notice of denial must include, without limitation, a statement which explains that the applicant has a right to a hearing before the Board if the applicant submits a written request for such a hearing to the Board within 60 days after the notice of denial is sent to the address of the applicant pursuant to this section.

3. If an applicant who receives a notice of denial pursuant to this section desires to have the denial reviewed at a hearing before the Board, the applicant must submit a written request for a hearing before the Board concerning the denial within 60 days after the notice of denial is sent to the applicant's address. If an applicant does not submit notice in accordance with this subsection, the applicant's right to a hearing shall be deemed to be waived.

4. Except as otherwise provided in this subsection, if the Board receives notice from an applicant pursuant to subsection 3, the Board shall hold a hearing on the decision to deny the application of the applicant within 90 days after the date the Board receives notice pursuant to subsection 3. If an applicant requests a continuance and the Board grants the continuance, the hearing required pursuant to this subsection may be held more than 90 days after the date the Board receives notice pursuant to subsection 3.

5. The Board may delegate to a hearing officer or panel its authority to hold a hearing concerning the denial of an application pursuant to this section. The Board shall adopt regulations setting forth the qualifications for a hearing officer.

AGENDA ITEM C-3

Discussion and Comparison of NSCB and CSLB Requirements Concerning Workers' Compensation Insurance





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Discussion and Comparison of NSCB and CSLB Workers' Compensation Insurance Requirements

History

California has had workers' compensation insurance requirements for employers since 1911. As it relates to licensed contractors, in 1990, CSLB obtained authority to require licensed contractors to have either workers' compensation insurance or a certificate of exemption from insurance as a condition of having a contractor's license and the ability to automatically suspend a license for not complying. The filing of false workers' compensation certificates became a problem, and by 1996, CSLB obtained authority to discipline a contractor's license for filing a fraudulent certificate. In 2002, CSLB's authority to automatically suspend a license was expanded to either the date the contractor did not obtain insurance and was required to or failed to maintain insurance with the Board.

In 2007, the roofing industry sponsored a bill that was passed as a pilot program to require that licensed C-39 Roofing contractors, as a condition of licensure, maintain workers' compensation at all times regardless of whether they have employees. The purpose of the requirement was to reduce workers' compensation rates among roofers, identify and eliminate cheating contractors, protect workers and owners, and level the playing field between legitimate and illegitimate contractors. The pilot program was extended in 2011 and became permanent in 2013. The CSLB C-39 Roofing population decreased steadily every year between 2007 and 2016 toward a total 27% population decline from 2007 to 2020. The population began to slowly increase for the first time in 2017 and is now back to nearly 2007 numbers.

CSLB's Workers' Compensation Enforcement Efforts

A licensee's failure to obtain a workers' compensation insurance policy and/or having a false exemption on file is a widespread issue among contractors. CSLB has worked to address the problem for many years. Consistently between 50 and 55% of California's over 120,000 actively licensed contractors claim to have no employees. Contractors with an exemption from workers' compensation insurance on file with CSLB are routinely found to have employees at active construction sites or when investigating consumer complaints. CSLB research and enforcement experience demonstrates very few contractors do not employ a single worker at any time, even if just for a short period of time. CSLB published an article in the April 2020 [newsletter of the National Association of State Contractor Licensing Agencies](#) highlighting the problem.



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CSLB's jurisdiction relates to contractors employing workers without workers' compensation insurance as a condition of licensure. CSLB recently sponsored a bill that increased CSLB's civil penalty for this violation from \$8,000 to \$30,000. Failure to provide workers' compensation insurance for workers is an underground economy issue, and CSLB regularly partners with other state agencies in proactive enforcement efforts to locate contractors violating workers' compensation insurance requirements. However, a contractor's misclassification of workers or failure to report wages are not issues within CSLB's jurisdiction and CSLB does not receive general fund support to investigate or enforce such violations.

CSLB Mandated Workers' Compensation Legislative Bill

At the end of 2017, the board established a two-person advisory committee to develop strategies to address workers' compensation insurance avoidance, which involved collaborating with other industries, increasing enforcement, and discussing legislative solutions.

In 2018, as part of CSLB's Sunset Review Report for the 2019 Joint Sunset Review Oversight Hearings, the board identified as its first "new issue" concern about the high number of workers' compensation exemptions (approximately 55 percent) claimed by licensed contractors. The report identified the C-8 Concrete contractor and D-49 Tree Service contractor as two of the classifications under consideration for mandatory workers' compensation.

CSLB held meetings in April 2019 and January 2020 with the State Compensation Insurance Fund, California Department of Insurance, and various construction industry stakeholders to collect information and discuss solutions to this problem.

At the April 2019 meeting, industry representatives identified the C-20 Warm-Air Heating, Ventilating and Air-Conditioning (HVAC) contractor as an additional classification appropriate for the mandatory workers' compensation requirement.

At a January 2020 meeting of industry, CSLB staff and the two members of the board's WC Advisory Committee presented a proposal to mandate workers' compensation for three classifications most likely to have employees: C-8 Concrete contractors; C-20 HVAC contractors; and D-49 Tree Service contractors. Representatives of these industries were present and supported the measure.

In addition to requiring workers' compensation for certain identified classifications, industry stakeholders advocated legislation to phase in a requirement that all licensees have workers' compensation insurance by 2026.



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In January 2021, CSLB sponsored a bill in the California legislature, Senate Bill 216, which requires C-8 Concrete, C-20 HVAC, C-22 Asbestos Abatement, and D-49 Tree Service contractor license classifications to have certificates of workers' compensation insurance on file with CSLB as a condition of licensure in 2023 and for all licensed contractors by 2026.

On July 1, 2023, any active licensed contractor holding one of the four license classifications who do not have workers' compensation insurance will have their classification removed or license suspended.

As of June 1, 2023, the following chart shows the number of active contractors who must still obtain insurance. CSLB predicts many contractors will obtain insurance shortly before the deadline.

Classification	Exemption on File	Policy on File
C-8 Concrete	1,461	4,532
C-20 HVAC	3,465	8,740
C-22 Asbestos Abatement	1	297
D-49 Tree Service	808	2,662



Joint Discussion with California Contractors State License Board June 23, 2023

AGENDA ITEM C-3

Discussion and comparison of NSCB and CSLB requirements concerning workers' compensation insurance

- I. NRS 624.256 – Workers' Compensation Coverage for Construction Contractors in Nevada
- II. NRS 616A.105 through 225 – Workers' Compensation Coverage Requirements in Nevada

I. NRS 624.256 – Workers’ Compensation Coverage for Construction Contractors in Nevada

NRS 624.256 Proof of industrial insurance; notification of Fraud Control Unit for Industrial Insurance of failure to obtain industrial insurance; disciplinary action; penalty for failure to pay contributions to Unemployment Compensation Fund.

1. Before granting an original or renewal of a contractor’s license to any applicant, the Board shall require that the applicant submit to the Board:

(a) Proof of industrial insurance and insurance for occupational diseases which covers the applicant’s employees;

(b) A copy of the applicant’s certificate of qualification as a self-insured employer which was issued by the Commissioner of Insurance;

(c) If the applicant is a member of an association of self-insured public or private employers, a copy of the certificate issued to the association by the Commissioner of Insurance; or

(d) An affidavit signed by the applicant affirming that he or she is not subject to the provisions of [chapters 616A to 616D](#), inclusive, or chapter [617](#) of NRS because the applicant:

(1) Has no employees;

(2) Is not or does not intend to be a subcontractor for a principal contractor; and

(3) Has not or does not intend to submit a bid on a job for a principal contractor or subcontractor.

2. The Board shall notify the Fraud Control Unit for Industrial Insurance established pursuant to [NRS 228.420](#) whenever the Board learns that an applicant or holder of a contractor’s license has engaged in business as or acted in the capacity of a contractor within this State without having obtained or maintained industrial insurance or insurance for occupational diseases in violation of the provisions of [chapters 616A to 617](#), inclusive, of NRS.

3. Failure by an applicant or holder of a contractor’s license to file or maintain in full force the required industrial insurance and insurance for occupational diseases constitutes cause for the Board to deny, revoke, suspend, refuse to renew or otherwise discipline the person, unless the person has complied with the provisions set forth in paragraph (d) of subsection 1.

4. As soon as practicable, but not more than 3 business days after receiving notice from the Department of Employment, Training and Rehabilitation pursuant to [NRS 612.642](#) that a judgment has been obtained against a contractor for failure to pay contributions to the Unemployment Compensation Fund or from the Division of Industrial Relations of the Department of Business and Industry pursuant to [NRS 616B.630](#) that a contractor is not in full compliance with the requirements of [chapters 616A to 617](#), inclusive, of NRS, the Board shall notify the contractor by mail at the last known address of the contractor, as it appears in the records of the Board, that the Board will suspend the license of the contractor if the contractor does not furnish proof, within 30 days after the date of the notice sent by the Board, that the contractor has satisfied the judgment reported to the Board pursuant to [NRS 612.642](#) or is in full compliance with the requirements of [chapters 616A to 617](#), inclusive, of NRS.

5. If the contractor fails to furnish proof, within 30 days after the date of the notice sent by the Board pursuant to subsection 4, that the contractor has satisfied the judgment reported to the Board pursuant to [NRS 612.642](#) or is in full compliance with the requirements of [chapters 616A to 617](#), inclusive, of NRS, the Board shall, as soon as practicable, but not more than 3 business days after the expiration of the 30-day period, for a first offense:

(a) Summarily suspend the license of the contractor without further notice pursuant to subsection 4 of [NRS 624.291](#); and

(b) Require the contractor to submit to the Board a list of all projects for which the contractor has unfulfilled contractual obligations where the contract was entered into on or before the date of the notice sent by the Board pursuant to subsection 4.

6. If a contractor's license is suspended pursuant to paragraph (a) of subsection 5:
- (a) The suspension must continue until the contractor furnishes proof that the contractor has satisfied the judgment reported to the Board pursuant to [NRS 612.642](#) or is in full compliance with the requirements of [chapters 616A](#) to [617](#), inclusive, of NRS;
 - (b) During the term of the suspension, the contractor shall not submit any bids for any new work or begin work on any project not described in the list submitted to the Board pursuant to paragraph (b) of subsection 5; and
 - (c) The Board shall notify:
 - (1) The Office of the Labor Commissioner, which shall, as soon as practicable, but not more than 3 business days after receipt of the notice, add the name of the contractor to the list of contractors who are disqualified to bid on public works; and
 - (2) The State Public Works Board, which shall, as soon as practicable, but not more than 3 business days after receipt of the notice, add the name of the contractor to the list of contractors who are not prequalified to bid on public works.
7. If the name of a contractor is added to a list pursuant to paragraph (c) of subsection 6, the Office of the Labor Commissioner or the State Public Works Board, as applicable, shall remove the name from the list when notified by the Board that the suspension has been lifted pursuant to paragraph (a) of subsection 6.
8. If the Board finds that a contractor has failed to provide a complete list of projects in accordance with paragraph (b) of subsection 5 or has violated paragraph (b) of subsection 6, the Board shall:
- (a) For a first offense, suspend the contractor's license for an additional 12 months after the contractor furnishes the proof described in paragraph (a) of subsection 6; and
 - (b) For a second or subsequent offense, conduct a hearing pursuant to [NRS 624.291](#), and, if it is determined at the hearing that a second or subsequent offense has been committed, revoke the contractor's license.
9. If a contractor for whom the suspension of a contractor's license has been lifted after providing the proof required pursuant to paragraph (a) of subsection 6 receives notice from the Board pursuant to subsection 4 within 5 years after the date of reinstatement and the contractor fails to furnish proof, within 30 days after the date of the notice sent by the Board, that the contractor has satisfied the judgment reported to the Board pursuant to [NRS 612.642](#) or is in full compliance with the requirements of [chapters 616A](#) to [617](#), inclusive, of NRS, the Board shall conduct a hearing pursuant to [NRS 624.291](#) and, if it is determined at the hearing that a second or subsequent offense has been committed within a 5-year period, revoke the contractor's license.

II. NRS 616A.105 through 225 – Workers' Compensation Coverage Requirements in Nevada

See attachment on next page.



Workers' Compensation

NEVADA EMPLOYER COVERAGE REQUIREMENTS

Caution: The information below is provided as a public service and is not intended to be legal advice. If you believe the provisions discussed do not cover you, you may want to consult with an attorney experienced in industrial insurance.

Introduction

The statutes are clear on the issue of employer coverage. Unless excluded by statute, "...Every person, firm, voluntary association and private corporation, including any public service corporation, which has in service any person under a contract of hire" needs coverage. ([NRS 616B.612](#))

The information below is not meant to cover every situation. Many of these concepts have been litigated and have been addressed by district courts and the Nevada Supreme Court. In most cases, the definitions presented here have been the key to decisions regarding when an employer is required to have coverage.

Definitions

A review of some of the definitions found in Nevada Statutes is appropriate. [NRS 616A.105](#) broadly defines an employee as:

"Employee" and "worker" defined. "Employee" and "worker" are used interchangeably in chapters 616A to 616D, inclusive, of NRS and mean every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and include, but not exclusively:

1. Aliens and minors.
2. All elected and appointed paid public officers.
3. Members of boards of directors of quasi-public or private corporations while rendering actual service for such corporations for pay.
4. Musicians providing music for hire, including members of local supporting bands and orchestras commonly known as house bands..."

Note: **NRS 616A.115 through 225** have other specific clarifications to the employee definition.

Exclusions:

NRS 616A.110 "Employee": Persons excluded. "Employee" excludes:

1. Any person whose employment is both casual and not in the course of the trade, business, profession or occupation of his or her employer.
2. Any person engaged as a theatrical or stage performer or in an exhibition.
3. Musicians when their services are merely casual in nature and not lasting more than 2 consecutive days, and not recurring for the same employer, as in wedding receptions, private parties and similar miscellaneous engagements.

4. Any person engaged in household domestic service, farm, dairy, agricultural or horticultural labor, or in stock or poultry raising, except as otherwise provided in chapters 616A to 616D, inclusive, of NRS.
5. Any person performing services as a voluntary ski patroller who receives no compensation for his or her services other than meals, lodging, or use of the ski tow or lift facilities.
6. Any person who performs services as a sports official for a nominal fee at a sporting event that is amateur, intercollegiate or interscholastic and is sponsored by a public agency, public entity or private, nonprofit organization. As used in this subsection, "sports official" includes an umpire, referee, judge, scorekeeper, timekeeper or other person who is a neutral participant in a sporting event.
7. Any clergy, rabbi or lay reader in the service of a church, or any person occupying a similar position with respect to any other religion.
8. Any real estate broker, broker-salesperson or salesperson licensed pursuant to [chapter 645](#) of NRS.
9. Any person who:
 - (a) Directly sells or solicits the sale of products, in person or by telephone:
 - (1) On the basis of a deposit, commission, purchase for resale or similar arrangement specified by the Administrator by regulation, if the products are to be resold to another person in his or her home or place other than a retail store; or
 - (2) To another person from his or her home or place other than a retail store;
 - (b) Receives compensation or remuneration based on sales to customers rather than for the number of hours that the person works; and
 - (c) Performs pursuant to a written agreement with the person for whom the services are performed which provides that the person is not an employee for the purposes of this chapter.

Other exceptions can be found in [NRS 616B.606](#):

Real estate brokers and salespersons not employers under certain circumstances. Any person licensed pursuant to the provisions of [chapter 645 of NRS](#) who engages an independent contractor to maintain or repair property on behalf of an individual property owner or an association of property owners is not a statutory employer for the purposes of chapters 616A to 616D, inclusive, of NRS.

Contractors (Licensed or not)

Another consideration is whether the employer is a licensed contractor as defined by NRS 624. If you are a licensed contractor, you should know that you may be determined – as a matter of law – to be the employer of independent contractors, subcontractors, and their employees for purposes of providing industrial insurance coverage.

This result stems from NRS 616A.210, which states:

"...subcontractors, independent contractors and the employees of either shall be deemed to be employees of the principal contractor for purposes of [the Nevada Industrial Insurance Act (the "Act")] ..."

Licensed contractors need to be wary because the Act has a broad definition of principal contractor:

NRS 616A.285 "Principal contractor" defined. "Principal contractor" means a person who:

1. Coordinates all the work on an entire project;
2. Contracts to complete an entire project;
3. Contracts for the services of any subcontractor or independent contractor; or
4. Is responsible for payment to any contracted subcontractors or independent contractors.

If you meet any one of the above criteria, you are a “principal contractor.” You are subject to monetary penalties, criminal prosecution, and/or being ordered to shut your business down if industrial insurance coverage is not provided for your subcontractors, independent contractors, and their employees. You, your subcontractor, or independent contractor must provide this coverage. You will be held responsible if no coverage exists.

In addition, if one of the employees – that is, an employee of a subcontractor or an independent contractor – has a work-related injury and the employer has not secured industrial insurance, the principal contractor will be responsible for the actual cost of the claim, plus administrative fees. See [NRS 616C.220](#).

If you are **not a licensed contractor**, the exemption “independent enterprise” may apply: NRS 616B.603 states:

Independent enterprises

1. A person is not an employer for the purposes of chapters 616A to 616D, inclusive, of NRS if:
 - (a) The person enters into a contract with another person or business which is an independent enterprise; and
 - (b) The person is **not in the same trade, business, profession, or occupation** as the independent enterprise.
2. As used in this section, “independent enterprise” means a person who holds himself or herself out as being engaged in a separate business and:
 - (a) Holds a business or occupational license in his or her own name; or
 - (b) Owns, rents or leases property used in furtherance of the business.
3. The provisions of this section do not apply to:
 - (a) A principal contractor who is licensed pursuant to [chapter 624 of NRS](#).
 - (b) A real estate broker who has a broker-salesperson or salesperson associated with the real estate broker pursuant to [NRS 645.520](#). (Emphasis added in 1, (b).)

In order to not be deemed the employer under the “independent enterprise exemption,” 1.) You must not be “in the same trade, business, profession or occupation” as the person or business with whom you contract. And 2.) The person or business with whom you contract must be an independent enterprise. Otherwise, workers’ compensation coverage is required.

Several questions arise regarding “sole proprietors” and whether they can reject coverage. [NRS 616A.310](#) defines “Sole proprietor” as “a self-employed owner of an unincorporated business and includes working partners and members of working associations. Coverage remains in effect only if the sole proprietor remains a domiciliary of Nevada.” If the sole proprietor is involved as a “principal contractor, subcontractor, etc.” described above that requires coverage, the sole proprietor must still be covered and/or provide coverage for others.

Also, no statutes prohibit principal contractors from requiring that all subcontractors carry workers' compensation coverage, including sole proprietors.

Questions arise about **when a contractor is not responsible** for workers' compensation for an independent contractor. In the case of construction, the principal contractor is almost always responsible for coverage. The principal contractor can, however, require proof of coverage from subcontractors.

In the case of non-construction contractors, [NRS 616B.639](#) describes their liability this way:

Limitation of liability of principal contractor for industrial injury to independent contractor or employee of independent contractor.

1. A principal contractor is not liable for the payment of compensation for any industrial injury to any independent contractor or any employee of an independent contractor if:

(a) The contract between the principal contractor and the independent contractor is in writing and the contract provides that the independent contractor agrees to maintain coverage for industrial insurance pursuant to chapters 616A to 616D, inclusive, of NRS;

(b) Proof of such coverage is provided to the principal contractor;

(c) The principal contractor is not engaged in any construction project; and

(d) The independent contractor is **not in the same trade, business, profession or occupation as the principal contractor**. Emphasis added in 1, (d).

Again, it must be kept in mind that the hired entity must not be in the same trade, business, profession, or occupation. Otherwise, the principal contractor is responsible for the failure to provide workers' compensation coverage if the independent contractor is not covered.

Rejection of Coverage

There are instances where an officer or manager of a "quasi-public or private corporation or limited liability company" that requires insurance can reject coverage by the company's workers' compensation insurer. These instances are covered in [NRS 616B.624](#) and the rejection must be in writing to the company and the insurer, and the rejection may later be rescinded in writing.

Conclusion

The general answer to questions about employer coverage requirements is, unless excluded by statute, "...Every person, firm, voluntary association and private corporation...which has in service any person under a contract of hire," needs coverage. If you are seeking legal advice on the above provisions, you should contact an attorney familiar with industrial insurance.

AGENDA ITEM C-4

Presentation Related to the Brightline West Rail Project and Discussion Concerning Nevada/ California Partnerships Regarding Cross Border Projects





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Presentation Related to the Brightline West Rail Project and Discussion Concerning Nevada/California Partnerships Regarding Cross Border Projects

Sarah Watterson, president of Brightline West, will provide a presentation to the California and Nevada Boards about the pending project to bring a rail line between Las Vegas, Nevada, to Southern California. The project is expected to break ground by the end of 2023 and bring construction jobs to Nevada and California.

AGENDA ITEM C-5

Discussion Concerning the Public Benefit of Licensure and Efforts to Promote Consumer Awareness Regarding the Importance of Hiring Licensed Contractors





CONTRACTORS STATE LICENSE BOARD

JOINT DISCUSSION WITH NEVADA STATE CONTRACTORS BOARD

Discussion Concerning the Public Benefit of Licensure and Efforts to Promote Consumer Awareness Regarding the Importance of Hiring Licensed Contractors

A key part of what the California Contractors State License Board's outreach is informing consumers about the importance of hiring licensed contractors and current/potential licenses about the public benefit of licensure.

CSLB recently hired a new Outreach Coordinator, whose main role is to conduct the successful Senior Scam Stoppers and Consumer Scam Stoppers seminars, which are held both in-person and virtually with local legislator offices and other community organizations. The Senior Scam Stoppers and Consumer Scam Stoppers seminars give consumers key details about hiring a licensed contractor and avoiding scams or other unscrupulous practices.

In the past five months, CSLB's ongoing staff presence at Disaster Recovery Centers (DRCs) has also expanded our outreach effort. Staff inform disaster survivors of the steps they need to take when repairing their homes after storm damage and to avoid being scammed. Unlicensed contracting in declared disaster areas is punishable as a felony in California.

CSLB publications are provided at all outreach events, emphasizing the importance of hiring licensed contractors. CSLB is in the process of updating all our publications to ensure they stay current and relevant to consumers and making more available in other languages, primarily in Spanish.

CSLB also holds monthly Get Licensed to Build workshops in both English and Spanish, which emphasize to potential applicants the benefit of becoming licensed and provide details on how to apply.

As CSLB works to educate potential applicants of the benefit of licensure, the Outreach Coordinator will also be working to educate future generations of contractors, taking ideas from events that the Nevada State Contractors Board and other licensing boards have held. NSCB has built sustainable partnerships with middle and high schools across the state with trade-based curriculum programs. These Workforce Development panels help provide encouragement to future generations about the career pathways available in construction, while connecting students to industry professionals and opportunities.

CSLB is also working to emphasize the public benefit of licensure to underserved communities who are smaller percentages of the current contracting field. NSCB has held its annual Hammers and Hope events in both regions of Nevada for the past few years during the National Women in Construction Week, which promotes women joining the construction workforce. The event features a panel of female professionals across the construction industry who share their testimonies, experiences, and insights on employment opportunities and expectations for a variety of positions. The event also



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includes mentor breakout sessions with attendees for a more inclusive and personalized discussion about their needs and interests, as well as a job fair highlighting industry employment opportunities, local job placement organizations, and other resources available to women in need.

This year, NSCB has also placed a significant amount of effort in expanding its outreach to the non-English speaking communities, including making translated collateral materials available on the Board's website and in-person. One notable partnership has been with the Nevada Small Business Development Center who has extended a standing invitation to NSCB to deliver its Business Assistance Program to prospective Spanish-speaking contractor applicants. BAP serves as a free overview of the NSCB contractor license application process and helps address licensure requirements and applicant questions proactively.

CSLB appreciates collaborating with NSCB and will work with them on ideas on how to expand outreach to underserved communities and inform the next generation of contractors about the public benefit of licensure.

AGENDA ITEM C-6

Discussion Concerning NSCB and CSLB Partnering Opportunities





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Discussion Concerning NSCB and CSLB Partnering Opportunities

CSLB has several ongoing partnerships with state and local government, described below.

Joint Enforcement Strike Force

Joint Enforcement Strike Force (JESF) is a statutorily established collaboration of California tax, wage, workplace safety, and state licensing agencies. Participants include the Employment Development Department, Department of Industrial Relations Division of Labor Standards Enforcement and Division of Occupational Safety and Health, and the Department of Insurance. JESF works with local and federal agencies to:

- Combat the underground economy in California.
- Promote a level playing field for California businesses.

CSLB is one of the 14 member agencies of JESF. CSLB has established memorandum of understanding with many of the JESTF members that codify sharing of information and establish a schedule for conducting joint investigation of construction businesses. In 2022, JESF enforcement activities resulted in the suspension of 277 licenses for outstanding tax and penalty liabilities totaling over \$49 million. CSLB's license suspension program resulted in the payment of \$23 million to allied state agencies.

Labor Enforcement Task Force

The Labor Enforcement Task Force, under the direction of the Department of Industrial Relations, is a coalition of California state government enforcement agencies that work together and in partnership with local agencies to combat the underground economy. In this joint effort, information and resources are shared to ensure employees are paid properly and have safe work conditions and honest, law-abiding businesses have the opportunity for fair competition. LETF is committed to outreach and education and has produced information for workers and employers to ensure they know their rights and responsibilities. The task force goals are:

- Ensure that workers receive proper payment of wages and are provided a safe work environment.
- Ensure that California receives all employment taxes, fees, and penalties due from employers.
- Eliminate unfair business competition by leveling the playing field.
- Make efficient use of state resources in carrying out LETF's mission.
- LETF members conduct sweeps at active job sites to verify employee wages and compliance with licensing, insurance, tax, and job safety requirements.

CSLB is one of the nine member agencies of LETF. Inspections conducted by LETF at construction sites of 318 contractor businesses in 2022 found 65% percent of contractors were out of compliance with one or more Contractors State License Law



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requirements. CSLB notes that between July 2022 through April 2023, 81% of contractors located on LETF sweeps were out of compliance.

Undercover Sting Operations

CSLB is authorized by state law to aggressively enforce violations of unlicensed contracting and contractors failing to provide workers' compensation insurance. It does so in part by holding undercover operations with local and state law enforcement agencies.

In 2022, CSLB conducted 20 sting operations throughout the state in 11 counties with assistance from 14 partnering agencies which included the California Department of Insurance, Paradise Police Department, San Diego Sheriff's Department, and the following district attorney's offices: Butte County, Contra Costa County, El Dorado County, Kern County, Marin County, Monterey County, Napa County, Sacramento County, Sonoma County, Tehama County, and Yolo County.

Proactive Enforcement Sweeps

As part of its mandate to aggressively enforce unlicensed practice and failure to secure workers' compensation insurance, CSLB routinely participates in proactive construction project sweeps throughout the state. In 2022, CSLB conducted 364 sweeps throughout the state in 41 counties in partnership with the following agencies the Employment Development Department, Department of Industrial Relations' Division of Labor Standards and Enforcement and California Office of Occupational Safety and Health, the California Department of Insurance, and alongside various investigators from several different county district attorney offices.

NASCLA Stings

From June 6-24, 2022, CSLB partnered with local law enforcement to conduct three undercover sting operations in South Lake Tahoe, El Dorado County; Salinas, Monterey County; and in Redding, Shasta County, resulting in 142 legal actions taken for licensed and unlicensed practice. Undercover stings targeted unlicensed contractors, with investigators contacting the suspects through their advertisements. The enforcement actions were part of a nationwide effort coordinated by the National Association of State Contractors Licensing Agencies (NASCLA) designed to make consumers aware of the importance of hiring licensed contractors and the risks of using unlicensed operators. More details can be found in the [press release issued last year](#).

The statistics available so far about the 2023 NASCLA sting will be provided at the board meeting.

Reactive Investigations Resulting in Criminal Charges

CSLB [announced in November 2022](#) that three people were criminally charged in a consumer fraud and identify theft scheme following a CSLB investigation in connection with the Los Angeles District Attorney's Office. The scheme involved three unlicensed



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contractors selling financing to unsuspecting homeowners for the installation of energy efficient products funded by the Property Assessed Clean Energy (PACE) program.

Memorandum of Understanding with State Agencies

CSLB has executed several MOUs with different state and local agencies over the years to facilitate the sharing of information and collaboration on areas of mutual interest to licensing and enforcement.

Most recently is an ongoing and extremely effective partnership between CSLB, the California Public Utilities Commission, and the California Department of Financial Protection and Innovation. Executed by the agency heads in March 2019, the partnership is called the Joint Agency Solar Task Force. It is designed to enhance coordination between the agencies and improve enforcement and consumer protection strategies around the repair, maintenance, installation of solar energy systems for residential consumers. The partnership has resulted in several successes, included legislative bills to increase penalties for violation of home improvement contract requirements in a solar installation and sales brokering, and has led to CSLB's Solar Energy System Restitution Program. As a result of the partnership, CSLB also has direct access to interconnection applications between consumers and contractors to connect solar to the electrical grid and includes home improvement contracts that CSLB can audit for enforcement purposes and to increase compliance.

AGENDA ITEM D

Adjournment

