



CONTRACTORS
STATE LICENSE BOARD

Legislative Committee Meeting

Thursday, March 21, 2024 | 9:30 a.m.–11:30 a.m.
(or until the conclusion of business)

Today's meeting will begin momentarily.

Public Comment

Call (415) 655-0001 or (844) 621-3956

- Meeting Access Code: 2553 845 5716
- Password: 37376494
- Press *3 to raise/lower hand.

Join on WebEx using link on CSLB homepage

- www.cslb.ca.gov
- Event number: 2553 845 5716
- Password: EsDrmHwi254
- Click the hand icon to raise your hand if you have a question or comment.



**CONTRACTORS
STATE LICENSE BOARD**

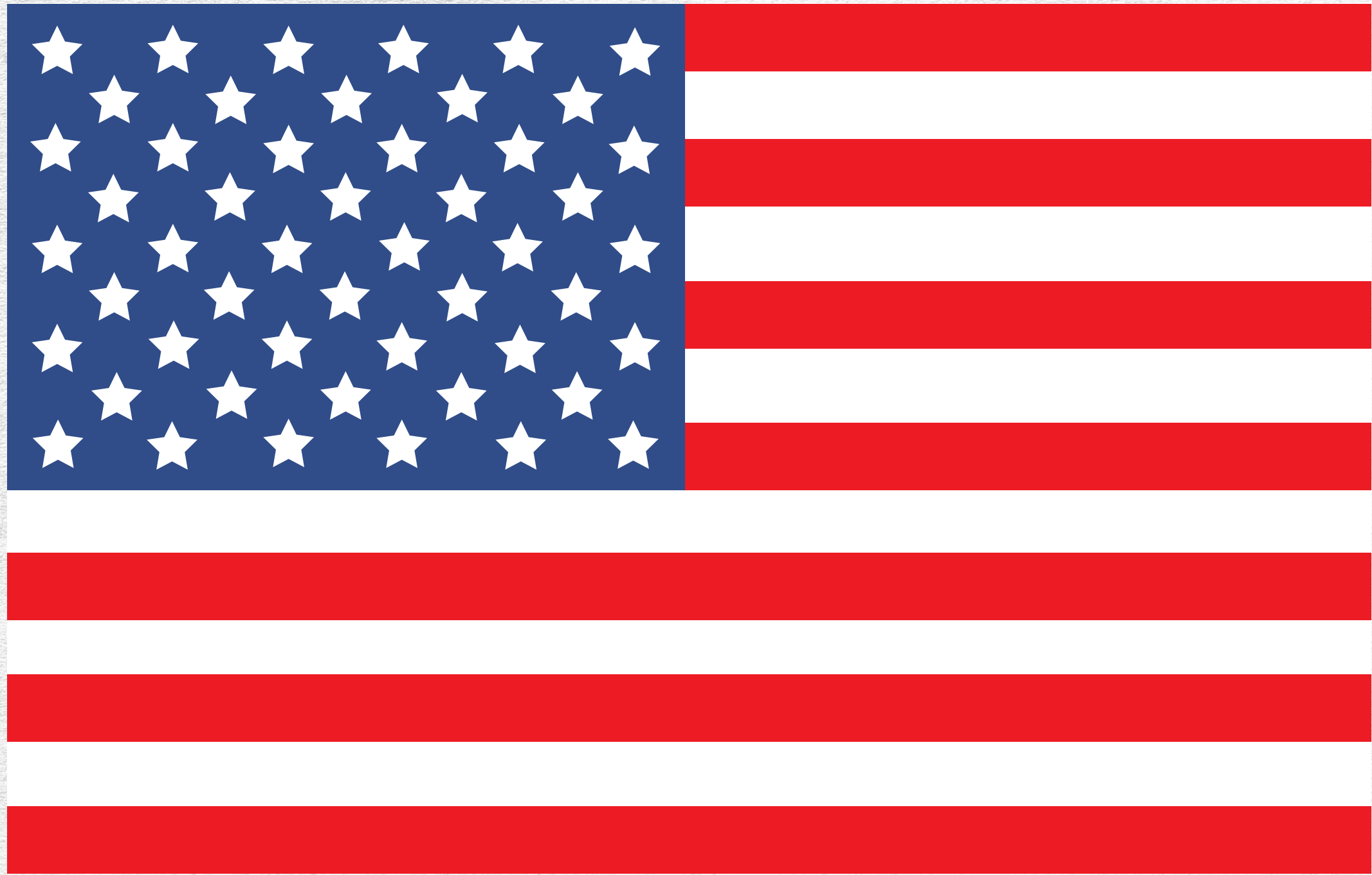
LEGISLATIVE COMMITTEE MEETING

THURSDAY, MARCH 21, 2024

9:30 AM - 11:30 AM

(OR UNTIL THE CONCLUSION OF BUSINESS)





Agenda Item A

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

Agenda Item 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 same meeting (Government Code sections 11125, 11125.7(a)).

Agenda Item C

**Review and Discussion of 2023-2024
Pending Legislation**

Agenda Item C

AB 2622 (Carrillo)

*Contractors License Minor Work
Exemption*

Agenda Item C

[AB 2622](#) (Carrillo)

Current Law: An unlicensed person may take a construction contract where the total of value of material and labor does not exceed \$500. Offers to contract must state “unlicensed” regardless of dollar amount.

This is called the “minor and inconsequential work” exemption.

This bill: Would change that amount to \$5,000.

Agenda Item C

[AB 2622](#) (Carrillo)

History of minor work exemption at CSLB: The exemption has not been increased since 1998. A Board-sponsored proposal would have increased it to \$1,000 in September 2019.

Industry concerns with the proposal led to it not being introduced.

Agenda Item C

[AB 2622](#) (Carrillo)

History of minor work exemption at CSLB: In March 2021, the Board voted 8-5 in favor of opposing two bills [AB 899](#) and [SB 304](#) that would have increased the \$500. The concerns were consumer protection from unlicensed practice and employers attempting to avoid workers' compensation requirements by hiring independent contractors to work without a license.

Agenda Item C

[AB 2622](#) (Carrillo)

History of minor work exemption at CSLB / and Establishment of B-2 Remodeling Classification:

Staff have since not pursued with the Board an increase to the \$500 exemption.

The B-2 Residential Remodeling Classification took effect in January 2021. It was for the many CSLB applicants who have experience with several skills in residential homes but lack structural framing experience or enough time performing one specialty to qualify for the general building contractor license or a “C” class.

Staff believe the B-2 has been successful in removing barriers to licensure for those skilled in non-structural residential repairs.

Agenda Item C

[AB 2622](#) (Carrillo)

Staff Questions:

- Is a \$5,000 project “minor and inconsequential”?
- Will such work require a building permit?
- Are there licensees doing a lot of business under \$5,000?
- Will work require employees and workers comp insurance (WC)?
- Can an unlicensed person obtain WC?
- Underground economy concerns?

Agenda Item C

SB 1071 (Dodd)

*Contractors: Proof of Workers'
Compensation Insurance for
Licensure*

Agenda Item C

[SB 1071](#) (Dodd)

Current Law: C-8 (Concrete), C-20 (HVAC), C-22 (Asbestos Abatement), C-39 (Roofing), and D-49 (Tree Service) must have proof of workers' compensation insurance on file with CSLB even if they do not have employees. Starting January 2026, all licensed contractors must have proof of workers' compensation insurance on file with CSLB even if they do not have employees.

This bill: would remove the requirement for all the classes above and allow any contractor to claim they do not have employees, so they do not have to file proof of workers' compensation insurance.

Agenda Item C

[SB 1071](#) (Dodd)

Background: Proof of workers' compensation insurance with CSLB has been required for the C-39 classification since 2012. It has been required for the additional four classifications after the Governor signed CSLB-sponsored [SB 216](#) (Dodd) in 2022. This bill would essentially “undo” SB 216.

The Senator's Office has asked for suggestions from CSLB to address fairness concerns from sole proprietors being forced to pay for a policy that does not benefit them.

Agenda Item C

[SB 1071](#) (Dodd)

Staff Questions:

- Will sole proprietor contractors forced to buy a policy pass the cost to consumers?
- Will license population continue to decrease from contractors deciding not to renew rather than buy a policy?
- Will contractors work “underground” rather than buy a policy?
- Impact of rule applying to tens of thousands of sole owners in 2026
- Possible solutions from Legislative Committee

Agenda Item D

*Review and Discussion of Possible
Legislative Concepts*

Agenda Item D

Business and Professions
Code (BPC) § 7124.6 (*Public
Disclosure*)

Legislative Concept Discussion

Agenda Item D

[BPC § 7124.6](#) (*Public Disclosure*)

Defines situations in which CSLB can publicly disclose complaint investigations on a contractor's public license detail on the CSLB website.

It is a powerful consumer protection tool and deters contractors from violating the law.

Agenda Item D

[BPC § 7124.6](#) (*Public Disclosure*)

Existing Statutory Authority

- Open Investigation/Probable Violations (that will likely result in license revocation) – Disclosed after approval by a Supervisor
- Letter of Admonishment – 1 or 2 years
- Citation – 5 years from issuance
- Accusation – 7 years if outcome is probation. Indefinite if license revoked.

Agenda Item D

[BPC § 7124.6](#) (*Public Disclosure*) Existing Law **Does Not Cover** Disclosure of the following:

- **Public disclosure of accusations on affiliated licenses:** contractor licenses that have personnel in common but are not the subject of the investigation. Allowed for citations but not accusations.
- **Public reproof disclosure period:** more serious than citation but less serious than stayed revocation, used by some judges but no disclosure period exists in CSLB laws.
- **Limitation of criminal conviction disclosure period:** no provision exists for how long a contractor's public license shall show they were convicted of a crime.
- **17200/500 Unfair Business Practice:** Disclosure Period Undefined

Agenda Item D

BPC § 7002 (*Board Member
Composition*)

Legislative Concept

Agenda Item D

[BPC § 7002](#) (*Board Member Composition*)

Current Law: CSLB board members include one general engineering contractor, two general building contractors, and two specialty contractors.

Concept: Should board member composition provide for a B and a B-2 contractor licensee on the Board?

Agenda Item D

[BPC § 7002](#) (*Board Member Composition*)

Background: The legislature has asked if the Board believes board member composition should include a B-2 contractor license on the Board.

There are currently 721 B-2 contractors. The license classification took effect in August 2021

Staff would like to hear from the Legislative Committee on this question.

Agenda Item E

Adjournment



**CONTRACTORS
STATE LICENSE BOARD**

MEETING ADJOURNED

A RECORDED VERSION WILL BE ARCHIVED
ON CSLB'S YOUTUBE CHANNEL

