

MINUTES OF THE REGULAR MEETING CONDUCTED BY  
CONTRACTORS' STATE LICENSE BOARD  
OF CALIFORNIA

Held at  
Oakland, California  
October 30, 1936

The regular meeting of the Contractors' State License Board was called to order by Roy M. Butcher, Chairman of the Board, at 10:50 A.M., October 30, 1936, in the Leamington Hotel, at Oakland, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman  
Ralph E. Homann, Vice Chairman  
Hugh W. McNulty, Member  
S. O. Johnson, Member  
William Niew, Member  
Earl S. Anderson, Executive Secretary

Absent:

Stephen L. Ford, Member

Also present were:

Glen V. Slater, Asst. Registrar  
L. F. Erb, Deputy Registrar  
H. S. Bowdle, Deputy Registrar  
Sam B. Kubanks, Editor, Daily Pacific Builder  
Wm. E. Hague, Secy.-Mgr., Associated General  
Contractors, Central Calif. Chapter.

The minutes of the last meeting of the Board, which was held at Santa Barbara, California, on September 25, 1936, were presented to the Board by the Secretary, but reading of the minutes was dispensed with. The minutes standing approved as written.

Mr. S. G. Johnson, Chairman of Rules and Procedure Committee, stated that his Committee endeavored to make a study of the paragraph of Section 9 of the Law, having to do with requiring contractors to make and keep records. He stated that it had not been advisable for the Committee to meet, due to the amount of travel which would have been necessary. Chairman Johnson requested that the report of this Committee be deferred until Saturday morning and the Committee would meet either Friday afternoon or night to prepare its report. This request was granted by Chairman Butcher.

Mr. Ralph E. Homann suggested that the Committee on Rules and Procedure should take under consideration other subdivisions of Section 9 and include them in their report. Request granted by Chairman Butcher.

The following letters were then read by Earl S. Anderson, Executive Secretary and Registrar:

Letter from the California State Builders Exchange, offering to sponsor amendments to the Contractors' Act at the next Legislature. Letter referred to Mr. McMulty, Chairman of the Legislative Committee.

A general discussion was entered into regarding members of the Board and officials of the Bureau entering into legislative work.

Mr. Anderson read a letter of invitation from the Painting & Decorating Contractors' Association of Alameda County

to attend their evening meeting October 30th.

- - - -

Mr. Anderson submitted a copy of the new Directory and a number of favorable comments were made on same. Mr. Anderson also discussed the system of preparing the Directory. He reported that there were 24,356 contractors as of October 1, 1936, and that there would be approximately 500 more by the end of the month.

Mr. Anderson reported that the Department of Finance purchased a piece of property at 10th & N Streets, Sacramento, and that there was some thought of erecting a building for the Department of Professional & Vocational Standards.

Mr. Anderson stated that the matter of increasing the expense accounts of Board Members had been taken up with Mr. Bonelli and he informed the Board that Mr. Bonelli was agreeable to the increase, but that the matter would have to be taken up with the Department of Finance. Mr. Anderson conferred with the Director of Finance and he said the matter would have to be approved by the Board of Control.

Mr. Anderson read some figures with regard to the results of the new application form from August 17th to October 17th, 1936. He reported that 47% of the applications for licenses received at the Sacramento office with fee had been returned as they were incomplete. 19% were returned to us in corrected form and accepted, and 28% were never returned to the Sacramento Office. Lack of sponsors and incomplete information on Compensation Insurance were the principal reasons for refusal.

Mr. Anderson submitted about 30 applications for licenses which were accepted in the discretion of the Registrar as an example of what was being required on the new form.

- - - -

It was moved and seconded that the Secretary of the Board write a letter to Director Bonelli requesting him to make application to the State Board of Control for an increase in the per diem expense accounts of Board members to not to exceed \$4.00 per day for meals and \$4.00 per day for hotels. Unanimously carried.

- - - -

The meeting recessed at 12:05 P.M. to reconvene at 2:00 P.M., which time was set by Chairman Butcher.

- - - -

AFTERNOON SESSION  
2:00 P.M., Oct. 30  
1936

The meeting was called to order by Chairman Butcher, at 2:00 P.M. in the Leasington Hotel, Oakland.

The roll was called and the following were present:

Roy W. Butcher, Chairman  
Ralph E. Rowman, Vice Chairman  
Hugh W. McNulty, Member  
S. G. Johnson, Member  
William Wias, Member  
Earl S. Anderson, Executive Secretary

Absent:

Stephen L. Ford, Member

Also present were:

Glen V. Slater, Asst. Registrar  
R. S. Bowdle, Deputy Registrar  
Sam B. Eubanks, Editor, Daily Pacific Bulldog  
Wm. E. Hague, Secy.-Mgr., Associated General Contractors, Central Calif. Chapter.

Mr. Johnson suggested that inasmuch as the Legislative Committee and the Rules and Procedure Committee wishes to have a meeting, that this meeting adjourn and reconvene at 9:30 A.M., October 31, 1936, while these two committees meet. A motion was made to that effect by Mr. Johnson and seconded by Mr. McNulty. Unanimously carried.

The meeting of the Contractors' State License Board therefore adjourned at 2:20 P.M. to meet at 9:30 A.M., October 31, 1936.

- - - - -  
MORNING SESSION  
October 31, 1936

The meeting was called to order by Chairman Butcher, at 10:00 A.M., in the Lexington Hotel, Oakland, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman  
Ralph E. Humann, Vice Chairman  
Hugh W. McNulty, Member  
S. G. Johnson, Member  
William Niece, Member  
Earl S. Anderson, Executive Secretary

Absent:

Stephen L. Ford, Member

Also present were:

Glen F. Slater, Asst. Registrar  
L. F. Erb, Deputy Registrar  
R. S. Bowdle, Deputy Registrar  
Fred E. Crane, Secretary, Master Plumbers'  
Association of Alameda County  
Sam B. Eubanks, Editor, Daily Pacific Builder

- - - - -

The following letters were read by Executive Secre-

tary Anderson:

Letter from Contracting Plastering Association of Los Angeles regarding limiting of the number of copartners under one license. Also opinion of Attorney General on this matter ruling that we could not legally limit the number of copartners.

Letter from Associated Gun Contractors of the Pacific Coast regarding decreasing of \$200.00 exemption and increasing of original and renewal license fees.

Letter from California Associated Concrete Pipe Manufacturers regarding elimination of Section 2 (b) and Section 3½ (d) from Contractors' License Law.

Letter from California State Chamber of Commerce regarding elimination of \$200.00 and Agricultural Exemptions. Also regarding the matter of examination for general building contractors.

Letter from Robert J. Coulter, attorney of Sacramento, stating that he would like to see the exemption reduced to \$50.00.

Letter from Builders' Exchange of Santa Clara County -- Dave Bunker, Secretary, requiring licentiates posting a bond.

At this time Mr. Fred H. Crane, Secretary of the Master Plumbers' Association of Alameda was introduced and made a few remarks, but it was decided that the matters he wished to deal with would be taken up a little later.

Further letters were read by Executive Secretary Anderson, as follows:

Letter from State Association of Master Plumbers

Convention held at Del Monte, California, containing Resolution No. 19 requiring chief building inspectors to show State license numbers of all contractors (general and sub) and also Compensation Insurance information. Also that this information be posted on job permit forms.

Letters from Builders' Exchange of Long Beach, over the signature of E. A. Bradbury, regarding proposed amendments under consideration.

Letter from Fred H. Crane, Secretary of the Master Plumbers' Association regarding increasing inspection force; also the work of the inspectors.

Mr. Anderson reported on contacting the Sales Tax Division of the Board of Equalization in regard to securing information relative to contractors' records. Stated he talked to Chief Administrator Muggford who informed him that they had a clause in their act prohibiting them from giving out information on business operators. However, they can furnish this information if permission is obtained from the Governor. The Governor was contacted and he advised Mr. Anderson to wait until a specific case came up and then make a request to him and he would be pleased to give it his consideration. Mr. Anderson remarked that since that time he had decided that the whole matter could probably be worked out through a set of forms containing requests for information which we would require the contractor to furnish; the information to be secured by each job.

- - - -

Mr. Johnson, Chairman of Rules & Procedure Committee,

submitted the following report:

"Your Committee on Rules & Regulations has, according to your instructions of September 26, 1936, made a study of Section 9, Paragraph 5 with reference to improved enforcement of the provisions contained therein, and begs to report as follows:

"Your Committee in considering Paragraph 5 of Section 9 finds that Paragraph 2 of the same section is closely related since the violation of paragraph 2 calls for the enforcement of Paragraph 5.

"Since many requests have come in from contractors urging a more stringent enforcement of Paragraph 5, when diversion of funds is suspected, your Committee has consulted with the Registrar and learned that whenever a charge has been brought against a contractor for diversion of funds, that contractor has been required to submit for the inspection of the Registrar, his records and documents relating to the project in question.

"Your Committee finds, in consulting with the Registrar, that the provisions in the Law requiring a contractor to keep books and records can probably be enforced with greater success now than in the past, since rules and regulations affecting taxes compel all businesses to keep books.

"The Committee therefore recommends that the Registrar be instructed to cooperate with such agencies of the State Government, and to avail himself of the aid of other laws that will strengthen the enforcement of Section 9, Paragraphs 2 and 5."

(Signed) Hugh W. McNulty  
S. G. Johnson, Chairman  
William Nies

It was moved by Mr. Romann, and seconded by Mr. McNulty, that the report of the Rules and Procedure Committee be accepted. Unanimously carried.



Mr. McMulty, Chairman of the Legislative Committee, reported that a thorough study of the Amendments to the Act brought to the attention of the Committee had been made, but that the study would be continued until the next meeting, at which time a complete report would be rendered.

- - - -

Mr. Butcher suggested that we instruct the Executive Secretary to send a letter to the Secretary of the Builders' Exchange of Oakland, thanking them for the courtesy extended to members of the Board the previous day. He also suggested the same type of letter be sent to the Painters & Decorators Association. A motion was made to this effect by Mr. Niss and seconded by Mr. McMulty. Unanimously carried.

- - - -

It was moved by Mr. Niss that the following resolution to the effect that the Board requests the building departments of the municipalities and other political sub-divisions to cooperate with the Board in the enforcement of the Law by requiring that an applicant (general building contractor or subcontractor) give his State license number before being issued a permit and that this number be shown thereon. This motion was seconded by Mr. Romann. Unanimously carried.

RESOLUTION

"WHEREAS the Contractors' License Law was enacted for the protection of the public, and

"WHEREAS the building departments of municipalities of the cities operate fundamentally in the interests of the building public and property owners of said municipalities, and

"WHEREAS said building departments are in constant touch with construction contractors;

"THEREFORE BE IT RESOLVED THAT the Contractors' State License Board requests that all officials of the building departments of the municipalities of this State be requested to require that applicants for building permits prove that they are licensed as contractors of the State of California, and to show upon their application for such permit their State license number, and

"BE IT FURTHER RESOLVED THAT the Contractors' State License Board hereby extends its most sincere appreciation for the cooperation given to it throughout the State by the aforementioned officials of the building departments of the various municipalities."

- - - -

It was moved by Mr. McNulty and seconded by Mr.

Miss that the following resolution be adopted. Unanimously carried;

RESOLUTION

"WHEREAS it is the opinion of the State Contractors' License Board that any employee of the Board who engages in competition with his own or any other profession or craft, for compensation or otherwise, is engaging in unfair competition by so competing while under employment by the Board, and

"WHEREAS it is the opinion of the Board that the employed personnel of the Board cannot engage in business or professional activities outside of his duties as such employee of the Board without seriously impairing his efficiency and value as an employee to the Board;

"THEREFORE BE IT RESOLVED THAT the Board, meeting in session this thirty-first day of October, 1936, discourage as far as possible the practice of any member of the personnel of the Board in engaging in any form of professional or business endeavor."

- - - -

At this time Mr. Fred H. Crane, Secretary of the Master Plumbers Association of Alameda County, was called upon for further remarks. He stated that he understood there were 24,358 licensed contractors as of October 15th; also that there were 3,373 painting and decorating contractors and 2,231 plumbing contractors. He remarked that the plumbing contractors expected the money secured from fees to be used for their own benefit. He stated that the trade is not getting the cooperation from local building inspectors to which they are entitled. A number of the plumbing contractors, he states, do not know the meaning of "overhead" and a number of them still do not understand the \$200.00 Exemption Clause. He believes the inspectors should follow up contractors and see that they understand this on the various jobs. He also remarked that there is a prevailing idea that contractors working for public utilities do not have to be licensed. Mr. Crane believes the inspectors should check the plumbing permits, and that the contractor's license number as well as the sales tax number should be required on these permits. He said that if an inspector could not locate a plumbing contractor the local building inspector would know who was licensed and this would insure better cooperation among local inspectors and building inspectors. Mr. Crane suggested that the Board refer applications for licenses to the Trade Association having jurisdiction in that area. This would be with the idea of ascertaining whether or not a plumber was fit to have a State contractor's license.

At this point Mr. Anderson remarked that we cannot

do this, as it is not within our Law to allow applications to be referred to trade associations.

Mr. L. F. Erb, Deputy Registrar, then explained that the inspectors kept a set of cards on the contractors checked on certain jobs.

Mr. Glen V. Slater suggested that this complaint be put into writing with a view to correcting the trouble.

Mr. Nies then suggested that we check the person's records and Mr. Slater replied that we could not check an unlicensed contractor's records as we had no jurisdiction.

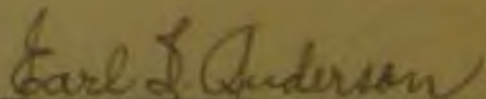
Mr. Johnson then remarked that we did not have sufficient funds for proper inspection and it was suggested that raising of the fees could possibly accomplish this.

Mr. Anderson stated that an investigation would be made in regard to this matter and a report will be rendered at the next meeting.

- - - -

It was moved by Mr. McNulty, seconded by Mr. Johnson, that the meeting adjourn to meet again at the call of the Chairman; the possible place of meeting to be Sacramento. Unanimously carried.

The meeting adjourned at 12:00 o'clock noon.



EARL S. ANDERSON  
EXECUTIVE SECRETARY  
CONTRACTORS' STATE LICENSE BOARD

Reported by:  
Gladys M. Crosby  
423 State Office Bldg.  
Sacramento, California