

MINUTES OF THE REGULAR MEETING CONDUCTED BY
CONTRACTORS' STATE LICENSE BOARD
OF CALIFORNIA
Held at
Eureka, California
October 1st, 1937

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The regular meeting of the Contractors' State License Board was called to order by Roy M. Butcher, Chairman of the Board, at 11:00 A.M., October 1, 1937, at the Eureka Inn, Eureka, California.

The roll was called and the following were present:

Roy M. Butcher, Chairman
Ralph E. Homann, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
William Nies, Member
Stephen L. Ford, Member
Earl S. Anderson, Executive Secretary.

Absent:

Hugh W. McNulty, Member.

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar
Louis F. Erb, Deputy Registrar
I. L. Swearingen, Deputy Registrar
Harry H. Hill, Inspector.

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The minutes of the last meeting, held July 23 and 24, 1937, in San Diego, were submitted by the Secretary. Mr. Johnson suggested that a correction be made on page 15, adding the following sentence to the first paragraph: "The Chairman then appointed Mr. Nies to act as chairman and preside over the election."

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

Johnson that the minutes be approved as written including the correction suggested by Mr. Johnson. Unanimously carried.

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Mr. Homann, Chairman of the Finance & Budget Committee, stated that his Committee had no report to render at this time.

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Mr. Ford, Chairman of the Personnel Committee, also stated that his Committee had no report to render at this time.

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Mr. McNulty, Chairman of the Legislative Committee, being absent, it was stated by Mr. Anderson, Executive Secretary, that Mr. McNulty informed him that his Committee had no report to render at this time.

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Mr. Earl S. Anderson, Executive Secretary, read the following committees and members, appointed by Chairman Roy M. Butcher:

"Rules & Procedure"

S. G. Johnson, Chairman
Hugh W. McNulty
William Nies

"Finance & Budget"

Ralph E. Homann, Chairman
Stephen L. Ford
Clarence B. Eaton

"Personnel"

Stephen L. Ford, Chairman
Hugh W. McNulty
William Nies

"Legislative"

Hugh W. McNulty, Chairman
S. G. Johnson
Ralph E. Homann.

Mr. Anderson, Secretary, submitted the following report of the activities of the Department:

"Total licenses issued to date (9/28/37)	27,326
Total licenses issued as of 9/30/36	24,317
INCREASE	3,009

Revocations (from July 1, 1937 to Sept. 1, 1937)	4
Suspensions (from July 1, 1937 to Sept. 1, 1937)	14

Criminal Prosecutions, July 1, 1936 to June 30, 1937

Cases filed - - - - -	174	
Dismissals - - - - -	9	
Convictions - - - - -	160	- 94%
Cases Pending - - - - -	5	

Disposition of Cases before the Registrar Charging Violations of the Contractors' Act
July 1, 1936 to June 30, 1937

Suspended	100	Not Guilty	73
Revoked	16	Dismissed or	
Applications Denied	15	Settled	156
Flagged (Defendant no longer licensed)	25	Applications granted after hearing	28

Total cases before Registrar - 413

"The September issue of The California Licensed Contractor will be off the press this week.

"The Alphabetical Directory of Licensed Contractors is now in the State Printing Plant and will be ready for distribution in about two weeks.

"The Geographical Directory of Licensed Contractors should be ready for distribution within about 30 days."

An opinion from the Attorney General was read setting forth the definition of a copartnership.

It was reported that the eligible list for Inspectors in this Department was available, and the Secretary informed the Board that at an early date these people would be interviewed.

Mr. Anderson reported to the Board that he had received many fine compliments -- as had Mr. Bonelli and the Honorable

Frank F. Merriam, Governor of California, on the work of the Deputies and others of the Contractors' State License Board in holding hearings in complaint cases.

It was stated by Mr. Anderson that the bill before the Legislature allowing the Attorney General to defend State employees when sued for acts done in their official capacity had been defeated on account of the fact that the Governor was of the opinion that it might result in careless prosecution on the part of such employees. Mr. Eaton stated that he would like to hear a discussion on that matter and a general discussion was then held. Mr. Butcher then suggested that Mr. Anderson make an investigation to ascertain if anything could be done to protect employees in case of suit, and also if Board members would be liable under such suits.

It was stated by Ralph S. Bowdle, Deputy Registrar, that it had been well established that no Board member could be sued as a Board member unless it could be shown that he was directly responsible for the Act.

Mr. Anderson asked if there were any comments on the new printed copies of the amended Contractors' Act and the general opinion of the Board was that it was an excellent job of printing.

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Various news items and editorials from California newspapers and construction magazines relative to activities of the Board were read by Mr. Anderson, with comments from the Board.

Mr. Johnson stated that it would be a good idea to discuss the article in "Organized Labor" as it was largely through the support of Organized Labor that the 1935^{and 1937} amendments were passed.

Mr. Anderson stated that he was glad this subject had been brought up as he had instructed Mr. Slater and Mr. Bowdle to spend some time during the Legislative session contacting representatives of organized labor and secure their support of our legislation. Mr. Butcher asked if it would not be advisable to send a letter of thanks to newspapers and magazines for the space allowed us and their cooperation in printing our articles. It was suggested that this be done in the form of a resolution and Mr. Anderson was instructed by the Chair to prepare such a resolution and present it to the Board at tomorrow's session.

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It was suggested by Mr. Anderson that the Board adopt a resolution favoring more mention and publicity being given to contractors on both public and private projects, as it is nearly always a fact that the engineer and architect receive the mention. The Secretary was instructed to prepare such a resolution and present it to the Board at tomorrow's session.

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The meeting recessed at 1:00 P.M. to reconvene at 2:00 P.M., which time was set by Chairman Butcher.

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AFTERNOON SESSION
2:30 P.M., October 1st, 1937

The meeting was called to order by Chairman Butcher at 2:30 P.M. in the Eureka Inn, Eureka, California.

The following were present:

Roy M. Butcher, Chairman
Ralph E. Homann, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
William Nies, Member
Stephen L. Ford, Member
Earl S. Anderson, Executive Secretary.

Absent:

Hugh W. McNulty, Member.

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar
Louis F. Erb, Deputy Registrar
I. L. Swearingen, Deputy Registrar.

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Mr. S. G. Johnson, Chairman of the Rules and
Procedure Committee, submitted the following verbal report:

"Mr. Chairman, you will likely expect a report
on the new operating rules and regulations, and the new
examination set-up. This work is now completed. It has
been compiled and arranged by Registrar Anderson and Assistant
Registrar Slater, with the assistance of Deputy Registrars
Bowdle, Swearingen and Erb. And we wish to say that the work
is ably and well done. Your Committee has spent considerable
time in going over the new operating rules and regulations and
believes they will meet with the Board's requirements at this
time. They specify the duties of the Registrar, the Deputy
Registrars and the Inspectors; they state the requirements of
applicants and the responsibilities of licensees.

We wish to present to the Board a written report
covering both the rules and regulations and the examination

form, but we would like to have another meeting for further study of the examination questions, before the Board meeting tomorrow. We therefore ask for extension of time until then when a written report will be submitted."

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The new Rules & Regulations covering the amendments to the Contractors' License Law were then read by Earl S. Anderson, Executive Secretary.

A general discussion was held on the Rules & Regulations.

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At this time Mr. Anderson read the examination procedure to the Board and explained the different forms to be used in the examinations.

A general discussion was held on the examination procedure.

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Mr. Anderson advised the Board that it would be necessary to employ another clerk in the Sacramento Office to take care of the examination work.

The places and dates of examinations was read by Mr. Anderson, and he stated that in Los Angeles and San Diego it would probably be necessary to rent space where examinations will be held.

Mr. Johnson advised the Board that there had been compiled over 100 questions, from which might be selected 20 or 30 on

the Compensation, lien laws, etc.

A discussion was had as to whether or not the Board should have a knowledge of the questions to be used for the examinations, as it was the opinion of some of the members that the Board should not have this information.

At the request of Mr. Johnson, Chairman Butcher granted a delay until Saturday morning, at which time the Rules & Regulations and examination questions would again be under consideration.

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At this time Mr. Johnson requested that the members of his Committee meet immediately after the adjournment of this meeting.

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The meeting of the Contractors' State License Board adjourned at 5:10 P.M. to reconvene at 9:00 A.M., Saturday, October 2nd.

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MORNING SESSION
9:30 A.M., October 2nd, 1937

The meeting was called to order by Chairman Butcher at 9:30 A.M., in the Eureka Inn, Eureka, California.

The following were present:

Roy M. Butcher, Chairman
Ralph E. Homann, Vice Chairman
Clarence B. Eaton, Member
S. G. Johnson, Member
William Nies, Member
Stephen L. Ford, Member
Earl S. Anderson, Executive Secretary.

Absent:

Hugh W. McNulty, Member.

Also present were:

Glen V. Slater, Assistant Registrar
Ralph S. Bowdle, Deputy Registrar
Louis F. Erb, Deputy Registrar
I. L. Swearingen, Deputy Registrar
Harry H. Hill, Inspector.

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Mr. Johnson, Chairman of the Rules & Procedure Committee,
submitted the following report:

"Your Committee on Rules and Regulations has had three meetings to give further study to the Rules and Regulations with respect to the new provisions in the Law for examination of applicants for contractors' licenses. These meetings were held in Los Angeles, July 26th; San Jose, September 11th, and Eureka, October 1, 1937. The following report is hereby respectfully submitted:

"At the recommendation of the Registrar, a new set of operating Rules and Regulations have been drawn up, defining the duties of the Registrar and his assistants and deputies; duties of inspectors; requirements of applicants and responsibilities of licensees. These Rules would replace those adopted by the Board July 24, 1937. Due to the new examination feature of the Law now in effect, and the clarification of the duties and requirements of the enforcing officers, applicants and licensees, your Committee recommends that the new Rules and Regulations as prepared by the Registrar be approved by the Board.

"The Registrar has also prepared a revised application form to meet with the new examination requirement of the Law. This form, your Committee believes, is a great improvement over the one used last year, and recommends it for a favorable consideration by the Board.

"Also the Registrar has compiled and arranged a group of approximately 200 examination questions. These questions are classified as to subject matter into six classes and cover such subjects as business procedure; liens, Contractors' License Law, Labor and Safety Laws, Building and Health, estimating and costs, and skill and experience. While the last subject matter relates to skill and experience, the applicant is not examined as to his own fitness in

this respect, but only as to his appreciation of the worth of these fundamentals as essentials for responsibility of a contractor. The written examination is given for the purpose of determining the applicant's knowledge of the business fundamentals which every contractor must be familiar with for his own good and that of the industry. The examination is general and should be taken by everyone desiring to enter the business of contracting.

"Your Committee recommends that this examination form be approved by the Board, subject to the approval of the Director of the Department and the Attorney General.

"Respectfully submitted:

{Signed) S. G. Johnson
Chairman

(Signed) Wm. Nies
Member

Member

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Mr. Erb brought up the matter of when a joint venture ceases, and Mr. Anderson stated that a joint venture is really a copartnership and that the license might be used from year to year if it were renewed in the same status. A general discussion was held on this subject and it was the opinion of the Board that Mr. Anderson was correct.

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The question of whether or not a foreign applicant for examination, who can neither read nor write English, is entitled to have someone appear at the examination with him and interpret the questions for him was brought up and a general discussion was held on this matter. It was the opinion of the Board that this would constitute receiving assistance and that no help should be

allowed such a person.

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The questions for examination were then presented to Mr. Anderson by Mr. Johnson, with the statement that he believed Mr. Anderson should read about ten questions from each classification. After taking his stand in favor of the examination, Mr. Johnson stated that if the Board had any other suggestions to offer he would be glad to receive them. Mr. Johnson informed the Board that he believed applicants should be asked not less than 50 questions, or possibly 75, and that we should have 500 or 600 questions prepared so that changes can be made at intervals.

After the reading of some of the questions by Mr. Anderson a general discussion was had by the Board.

It was moved by Mr. Ford and seconded by Mr. Nies that the report of the Rules and Procedure Committee, and the amended Rules and Regulations, and the examination procedure, and the questions for examination, be accepted, subject to the approval of the Director and the Attorney General, and that the Secretary is instructed to make any changes or recommendations to meet the requirements as set forth by either or both the Director or Attorney General.

Ayes: Johnson, Nies, Ford and Butcher.

Noes: Homann and Eaton.

Motion carried.

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The Rules and Regulations, APPROVED BY THE BOARD
AND THE ATTORNEY GENERAL ONLY, are as follows:

"SECTION I. DUTIES OF REGISTRAR AND HIS ASSISTANTS AND DEPUTIES

1. The Registrar shall be the executive officer of the Board.
2. The Registrar shall carry into effect the general orders of the Board in accordance with its policies and when necessary shall adopt rules and regulations to that end.
3. The Registrar shall be responsible for the performance by the Board's personnel of its duties.
4. The Registrar shall apportion the duties of the personnel and shall delegate to his assistants and deputies such powers as are necessary to administer the Contractors' License Law under the rules and regulations of the Board.
5. The district offices of the Registrar shall be in charge of deputies, who shall act as district supervisors and hearing officers. The deputies shall be responsible in their given districts for the maintenance of records, the control of personnel, and routine operations.
6. In the conduct of his district, the deputy shall be the direct representative of the Registrar and his Assistant, and in their absence, as directed, shall act for them.
7. The deputy shall be responsible in his given district for expenses incurred on behalf of the Board, and he must approve all claims for expenses of the personnel under his jurisdiction.
8. The deputy in his given district shall supervise the work of the inspectors, and direct them in matters of policy.
9. The deputy is responsible for observation of approved Rules and Regulations by inspectors.

10. All matters in connection with procedure upon formal complaints shall be under the immediate direction of the deputy. He shall pass upon the sufficiency of pleadings and answers, shall act as hearing officer, and shall render recommendations and findings to the Registrar.
11. The deputy shall exercise direct control over the handling and examination of applications in his office.
12. Where a deficiency apparently exists in an application relating to the proof of possession of character by an applicant, the Deputy shall determine whether or not the application may be accepted or notice sent to the applicant to appear at a formal hearing with evidence in support of his application.
13. The deputy shall provide for examinations of applicants at stated times and places, and before examiners, as directed by the Registrar.
14. The deputy shall be responsible for investigations when needed, and for the course of action taken as the result of such investigations.
15. In his given district the deputy shall be responsible for rendering to the public the services provided by the Board.

He shall see that proper relations are maintained with public officials, organizations, and individuals by his entire staff.

SECTION II. DUTIES OF INSPECTORS.

1. To see that all contractors are licensed in the inspector's assigned district.
2. To gather and present evidence and swear to complaints in connection with misdemeanors of contractors.
3. To investigate all licensees for compliance with the Workmen's Compensation Insurance Act.
4. To file complaints of violations of the Workmen's Compensation Insurance Act.

5. Under direction and also upon own motion, to assist contractors and others with the settlement of disputes.
6. Under direction to assist in formal complaint cases by (a) gathering and presenting of evidence; (b) preparing reports; (c) serving subpoenas.
7. To contact and maintain cooperative relations with organizations and individuals and public officials in the construction industry.
8. To advise concerning and interpret the rules of the Board relating to qualifications of applicants.
9. As directed, to act in the capacity of examiners presiding at written examinations.
10. To refer to the District Office for handling, where possible, all matters requiring correspondence.
11. To promptly file with his District Office copies of such correspondence as must be handled by the inspector.
12. To file and keep for a reasonable length of time correspondence issued and received by an inspector relating to his work.
13. Filing of Reports:
 - A. The following routine reports must be filed immediately at the close of each month:
 - (1) Traveling expense;
 - (2) State automobile mileage;
 - (3) Monthly recapitulation of work.
 - B. Daily reports shall be made out at the close of the day's business and immediately filed or mailed to District Headquarters.
 - C. Special reports, including informal complaint and prosecution reports, and reports upon special investigations, shall be immediately filed. Such reports should be carefully checked to see that all pertinent data is included.

- D. Reports shall be typewritten or carefully written in legible hand, and shall include answers to all questions in cases of form reports.

14. Use and care of automobiles:

- A. Inspectors must economically plan their itineraries.
- B. State automobiles may be used on official business only.
- C. Mileage on permittee cars will be allowed only when car is used on official business.
- D. Permittee cars must be insured for public liability and property damage, jointly covering the inspector and the State, in accordance with the rules of the Board of Control.
- E. Emergency repairs of a minor nature for state automobiles may be secured without authorization; major repairs must be handled through district office.
- F. Where possible, state cars shall be serviced and gas and oil shall be purchased at state public works depots.
- G. Inspectors are responsible for maintaining state cars in good condition.
- H. Tires, batteries, spark-plugs, etc., except in emergency cases, must be purchased through the district office. Emergency purchases shall be billed to the Department in triplicate and the inspector must file a statement showing the necessity.
- I. Inspectors must operate cars in conformity with local and state traffic laws and with reasonable care.

15. Hours of state employees are set by statute. Inspectors must devote not less than the minimum statutory time.

16. Improper political activity must be avoided.

17. Inspectors must at all times be courteous, careful of their personal appearance, prompt in their

appointments, and conduct themselves in a manner to bring credit to the Department.

SECTION III. REQUIREMENTS OF APPLICANTS

1. The word "Personnel" as used in this Section shall include all members of any copartnership and all officers of any corporation applying for a license. It shall also mean the responsible managing officer who qualified by examination on behalf of any applicant.
2. All applicants must qualify by written examination based upon the "building, safety, health and lien laws of the State, and of the rudimentary administrative principles of the contracting business." Providing, however, that this examination may not be required of an applicant or of the responsible managing officer of the applicant who is at the time of application the holder of an individual license or who is the responsible member or officer of a licensed copartnership or corporation; providing further that an additional examination shall not be required of a person who has within a period of two years, but after August 27, 1937, been qualified by examination.
changed to test for general knowledge of the
3. Every applicant and examinee shall include in the application certifications as to the possession of good character and integrity. Persons making such certifications shall be:
 - A. Licensed civil or structural engineers or licensed architects or licensed contractors;
 - B. Owners for whom applicant has performed construction work as a contractor, superintendent or foreman, or in a responsible capacity;
 - C. Building supply firms;
 - D. Banking institutions.

If applicant is an individual he must secure certifications as follows: two in classes A, B, C and one in class D.

If applicant is a copartnership or corporation each member or officer must personally secure certifications as follows: one in each class-

fication (A, B, C, and D).

An examinee who is not the individual applicant or a member or officer, if applicant is a copartnership or corporation, must personally secure certifications as follows: one in each classification (A, B, C, and D).

4. The requirements of Rule 3 of this Section shall not apply in the case of a combination of duly licensed individuals or firms making application for a joint-venture license.
5. If an individual, copartnership or corporation is qualifying by examination in the person of a responsible managing officer and the applicant or its personnel have had no previous experience in a responsible capacity in the construction business, such applicant or member or officer may substitute as signatories, persons of recognized standing and character in Classes A, B, and C only.

Such substitute signatories must state the nature of their business, their status in their particular firms, the years they have known the applicant, and a statement of the volume and nature of their business relations with the parties for whom they are signing.

6. The Registrar may, at his discretion, waive such references which must ordinarily accompany an application in the case of an applicant or of the personnel of an applicant who has, during his experience in construction work, lived and operated under conditions which make it impractical to furnish the references herein required.

In such cases the Registrar must satisfy himself by other means that the applicant is qualified, both as to character and integrity.

7. If space for certifications or for information required of signatories on application forms is insufficient, applicants shall either attach to the application form a facsimile of Section II of the application form or shall attach a document setting forth the omitted information.
8. Signatories shall, in ordinary cases, have known the applicant for at least a year and shall have either enjoyed business relations of consequence with the applicant, or shall have been in a favorable position to actually know of the ap-

plicant's reputation.

9. Upon all applications the name of the individual for whom certification is made must be written or typed prior to the time the signatory actually signs the application.
10. All signatures, other than signatories', to an application form must be acknowledged before a notary public or an officer of the Board.
11. After the filing of an application no refund may be made of a fee filed in connection with such application.
12. If a request for reexamination is made within six months from date of mailing of notification of failure, a new application form may not be required.
13. An examinee must make a minimum grade of 70% in the written examination.
14. Examinees must not resort to assistance from any source during an examination.
15. An examinee who has failed in the written examination must wait ten days after date of mailing of notification of failure before requesting re-examination.
16. Applicants applying for a license within six months from the date of a previous examination must again submit a \$10.00 fee, with a statement requesting reexamination and showing the approximate date of filing of the original examination form. The Registrar may in such case, if he deems it advisable, require the filing of a new application form.
17. Application forms and examination questions shall be retained by the Registrar. All documents filed in support of an application will be kept by the Registrar; provided, however, that he may in his discretion permit such documents to be withdrawn upon substitution of a copy.
18. Examinees will be given notification cards upon the approval of applications and must present their notification cards as authority to take the written examination.
19. Applications must be filed at an office of the

Registrar upon a form issued by the Board, and must comply with every requirement shown thereon.

20. An application fee of \$10.00 must accompany every application form. Fees tendered in the form of personal checks will be delayed by state rules requiring the clearance of checks.
21. Checks shall be made payable to the "Registrar of Contractors."
22. The applicant shall clearly state the name style in which the license is to be issued.
23. Applications for a license under a fictitious name will be rejected if the applicant has not published the Certificate and filed the affidavit of publication thereof as required by Section 2466 of the Civil Code of the state of California.
24. The applicant shall state his or its business address and mailing address. An "R.F.D." address must also show the name of the road, highway or district.
25. The name of every individual applicant or of the personnel of the applicant must be given in full for purposes of identification.
26. The applicant shall state whether it is doing business as an individual, copartnership, joint-venture, or corporation.
27. The applicant or its personnel shall indicate his or their previous professional or vocational license record.
28. The applicant or its personnel shall state such persons with whom it or they have been associated in the contracting business as partners within the five years immediately preceding the date of application.
29. The applicant or the members of its personnel shall state whether or not it or they have had a license refused, suspended, or revoked. If so, an explanatory statement must be appended to the application.
30. The applicant or its personnel shall state whether or not it or they have been connected with any person or firm whose license was refused, suspended, or revoked. If so, an explanatory statement must be appended to the application.

31. The applicant or its personnel shall state whether or not it or they have been previously convicted of a felony. If so, an explanatory statement must be appended to the application.
32. The applicant or its personnel shall state whether or not it or they have, within a period of three years, been guilty of any violation of Section 9 of the Contractors' License Law. If so, an explanatory statement must be appended to the application.
33. The applicant or its personnel shall state whether or not any bonding company or surety ever completed any contract in which it or any of them were interested. If so, an explanatory statement must be appended to the application.
34. The applicant or its personnel shall state whether or not there are any liens, suits, judgments, or compensation or labor claims pending or recorded against it or them or against any property as the result of the actions of it or of them arising out of its or their operations as a contractor. If so, an explanatory statement must be appended to the application.
35. The applicant must give the name of his or its Workmen's Compensation Insurance carrier and the number and expiration date of the policy, and a statement showing whether or not the premium deposit or any payroll audit claims are in arrears. If the applicant has no compensation insurance, a legal reason must be given.
36. The applicant shall indicate on the application form the general nature of his contracting operations.
37. An application must be signed as follows: If applicant is an individual, by that individual; if applicant is a copartnership, by each member of the copartnership; if applicant is a corporation, by any officer of the corporation.

A responsible managing officer who desires to qualify on behalf of an applicant must also sign the application form.

SECTION IV. RESPONSIBILITIES OF LICENSEES

1. Licensees shall comply with all of the provisions of the Contractors' License Law.
2. Licensees shall comply with all rules and regulations of the Contractors' License Board and of its executive officer, the Registrar of Contractors.
3. Licensees shall display their permanent certificate in their main office or chief place of business.
4. Upon demand licensees shall exhibit satisfactory evidence of the possession of an unexpired license.
5. A surviving member or members of a licensed co-partnership by reason of death shall be entitled to continue in business under such license until the expiration date (June 30th) of such license; provided due application therefor is made to the Registrar within thirty days after death of the member, and same is approved by the Registrar in accordance with such rules and regulations as he may adopt.
6. Licensees shall make application for renewal of their licenses not later than June 30th of each year. Upon failure to do so, such licenses will be ipso facto suspended and shall be reinstated only upon the payment of \$5.00 in addition to the current renewal fee of \$5.00. Application for renewal must be made upon a form provided by the Registrar, accompanied by a current renewal fee of \$5.00. Personal checks will delay renewal of the license.
7. Certified copies of licenses will be issued by the Registrar upon payment of a fee of 50¢.
8. Licensees may not renew a license which has remained suspended for non-payment of fee for a period exceeding one year.
9. Licensees shall report changes of address within thirty days.
10. Licensees shall report changes of personnel within thirty days. (Except as provided in Rule 5 above, a change of personnel is allowable only among the officers of a corporation, or by the substitution of a qualified construction manager.)
- ✓ 11. If a person who has qualified for a licensee by

examination shall for any reason whatsoever cease to be connected with, or to direct the construction work of the licensee, the licensee must (a) notify the Registrar in writing within ten days and (b) within 60 days after such notice qualify another person by the filing of an approved application and by examination.

If such notice is not given within ten days, the license shall be ipso facto suspended and may only be renewed after the qualification of another person.

12. Licensees shall not abandon the physical construction of any project or operation except with legal excuse. Financial inability or similar conditions shall not be construed as legal excuses.
13. Licensees shall not use contract payments for any purposes other than the payment of claims for which liens may be filed, until all such claims have been discharged.
14. Licensees shall not separate their profits and wages paid to themselves for work actually performed, but must consider both as profits. Therefore licensees must care for all claims for which liens may be filed before any portions of contract payments may be appropriated to their own use, as wages or profit or otherwise.
15. Licensees shall carry out all contracts in strict accordance with plans and specifications as far as is physically possible.
16. Licensees shall not depart from plans or specifications without having secured the consent of all parties having an interest.
17. Licensees must abide by the building laws of the State, or of any of its subdivisions. (State Housing Act, City or County building ordinances, etc., relating to matters of physical construction.)
18. Licensees must observe the safety laws of the State. (Laws regulating scaffolding, temporary floors, etc.)
19. Licensees must observe the labor laws of the State. (Workmen's Compensation Insurance and Safety Act, Semi-monthly Payday Law, etc.)
20. Licensees shall make and preserve for three years

all contracts, documents, and receipts including a record of disbursements for each contract or undertaking. These records shall be kept up to date and must be kept open for inspection by the Registrar or his duly authorized subordinates.

21. Licensees must complete all construction projects or operations for the price set in the contract, due consideration being given to any modifications of or additions to such contracts.
22. Licensees shall in no way aid or abet an unlicensed person to evade any of the provisions of the Contractors' License Law.
23. Licensees shall not knowingly combine or conspire with an unlicensed person to accomplish an evasion of any portion of the Contractors' License Law.
24. Licensees shall not allow their licenses to be used by any other person.
25. Licensees shall not substantially injure a person by the doing of any wilful or fraudulent act.
26. Licensees shall not act in the capacity of a contractor except in the name of the licensee as set forth upon the license.
27. Licensees shall not act in the capacity of a contractor unless the personnel thereof is in accordance with the personnel of the licensee as recorded with the Registrar.
28. Licensees shall not knowingly enter into contracts with unlicensed contractors.
29. Licensees shall not, except with legal excuse, fail or refuse to prosecute construction projects or operations with reasonable diligence.
30. Licensees shall, when having the ability, pay any moneys when due for any materials or service rendered to them as contractors.
31. Licensees shall not falsely deny any amount due in order to secure a discount.
32. Licensees shall not falsely deny any amount due in order to hinder, delay, or defraud a creditor."

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It was moved by Mr. Johnson and seconded by Mr. Eaton that Rule 7 of the By-Laws be amended to read as follows:

"The By-Laws, Administrative Rules & Procedure, and Rules and Regulations, may be amended or amplified by a majority of the Board at any regular or special meeting of said Board."

Unanimously carried.

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It was moved by Mr. Johnson, seconded by Mr. Ford, that the following resolution extending the thanks of the Board to the trade publications for the support they have given our Law, be adopted. Unanimously carried.

"WHEREAS the effectiveness of the Contractors' License Law is increased directly in proportion to the cooperation received from the construction industry, and

"WHEREAS the Contractors' State License Board cannot constantly maintain direct relations with its licensees, and the numerous organized groups within its licensees, and

"WHEREAS there are circulated in California various trade organs dealing with the welfare of the construction industry, or of a definite division of the construction industry, and

"WHEREAS these trade organs have been of material assistance to the Contractors' State License Board and have more than met the Board's desire to maintain cooperative relations with such trade organs, and

"WHEREAS the cooperation between the State Board and these trade organs has been, in the opinion of the Board, of material benefit to the construction industry.

"NOW THEREFORE BE IT RESOLVED that the Contractors' State License Board in regular meeting convened this first day of October,

1937, extends its thanks to the aforementioned trade organs for their cooperation with the Board, which has been of advantage to the Board itself, and for their noticeable desire to use their publications for the support and the strengthening of the construction industry itself."

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It was moved by Mr. Nies and seconded by Mr. Homann that the following resolution favoring more mention and publicity being given to contractors on both public and private projects, be adopted. Unanimously carried.

"WHEREAS the three fundamental needs of humanity are food, clothing and shelter, and

"WHEREAS the construction industry is that economic division of society which has for its purpose the supplying of civilization's need of shelter, and

"WHEREAS years upon years of experience have shown that the economic administration of the construction industry rests upon those independent operators commonly called 'contractors', and

"WHEREAS there has been a deplorable lack of understanding of the necessary economic function of a contractor, which is not in the best interests of the people, either as to public or private works, and

"WHEREAS it is seldom brought to the attention of the public that the best and most economical construction work is done under the direction and control of qualified contractors;

"NOW THEREFORE BE IT RESOLVED by the Contractors' State License Board in regular session this first day of October, 1937, that the licensed contractors of California be, and herewith are admonished to seek, through whatever channels may be available, either by publicity which they may influence or by word of mouth which they may utter, to at all times carry to the public the fact that the best and

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most economical work of providing mankind's primary need of shelter is carried forward in this State by those independent business men -- California's licensed contractors."

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It was moved by Mr. Homann, seconded by Mr. Eaton, that the meeting adjourn, to meet again at the call of the Chairman. Unanimously carried.

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The meeting adjourned at 1:45 P.M.

EARL S. ANDERSON
EXECUTIVE SECRETARY
CONTRACTORS' STATE LICENSE BOARD

Reported by:
Gladys M. Crosby
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