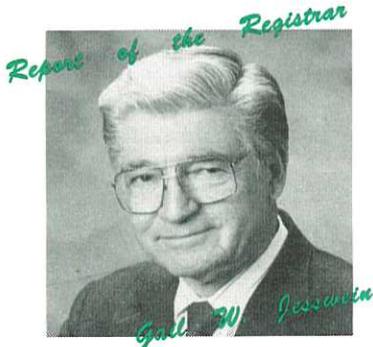


Digging out the Underground Economy

The theme of this issue of the CLC is "Financial Information." Accordingly, we have included articles on topics that impact your finances, such as bonds and unlicensed contractors.



Another area affecting your wallet is the underground economy. Unlicensed or unscrupulous contractors who aren't paying taxes can lower costs and pass those "savings" on to their customers. The fight against the underground economy is important to ensuring a level playing field for honest, licensed contractors and protection for the unsuspecting consumer. Here's an update on what the Board is doing to help dig out the underground economy.

Besides battling unlicensed contractors, our Unlicensed Activity Units are also involved in the Governor's Joint Employment Enforcement Strike Force to uncover the underground economy. Governor Pete Wilson issued an Executive Order establishing the strike force in October 1993. CSLB has assigned investigators to work with a team consisting of the Employment Development Department and the Department of Industrial Relation's Division of Labor Standards Enforcement.

Before the strike force was created, the Board had referred information concerning cash pay allegations or underreporting and non-payment of taxes to the appropriate agency for investigation. Now these leads are

Continued on page 8

Unlicensed Activity Units on the Job

The Contractors State License Board Unlicensed Activity Units (UAUs) concluded the 1994-95 fiscal year with a record 1,868 citations.

"Getting unlicensed contractors out of the construction business is a Board priority," said CSLB Registrar Gail Jesswein. "Our UAU deputies are on the job to get unlicensed contractors off the job."

In January 1994 the Board established a statewide unlicensed activity program that focuses on

unlicensed contractors and the underground economy.

"Approximately every hour of every business day an unlicensed contractor is being issued a civil citation or a misdemeanor by a CSLB deputy," noted John Chalker, chair of the Board's Enforcement Committee.

The UAUs use a variety of methods to locate unlicensed contractors, including stings and sweeps. In a sting, suspected unlicensed contractors are invited

Continued on page 6

What You Can Do If You Know of an Unlicensed Contractor

If you are aware of unlicensed activity, call the Unlicensed Activity Unit in your area (see page four of the special insert in this newsletter for the telephone number) or write a letter and include any documentation you have. You may call or write on an anonymous basis.

"We need evidence of a violation, such as a business card, advertisement or witness, not just a first name and a city where an unlicensed contractor might be working," said Northern Region's UAU Supervising Deputy Registrar Larry Brandon.

"Give us any information that will help when we make a jobsite visit," echoed Central Region's UAU Supervising Deputy Registrar Ralph Hollier.

Be sure to include the jobsite location. The more information you can provide, the better the chance of locating and citing the unlicensed contractor.

Bonds: Their Nature and Purpose

One dictionary definition of bond is "an amount paid as surety or bail." Go to surety and you find "one who makes himself (or herself) liable for another's debts, defaults or obligations, etc."

If you're a contractor who wants to do right by your customers, you need to know how bonds and the bonding process can impact your operations — positively as well as negatively.

Kinds

There are five basic kinds of bonds in the world of contracting: contractor's bonds, performance bonds, payment bonds, payment and performance bonds and contract bonds. Every contractor should know what these are and how each can affect her or his business.

Contractor's Bonds

A contractor's bond (also known as a contractor's license bond) is like liability insurance for your car or truck: You are required by law to buy it, and you hope you never have to have anything more to do with it than pay the premiums. Every contractor must

carry a contractor's bond of at least \$7,500 (\$10,000 for swimming pool contractors).

Generally speaking, a contractor's bond usually only comes into play when there is some kind of monetary judgment against the contractor. As explained in last summer's issue of the *California Licensed Contractor*, when the Board issues a citation against a contractor as the result of a consumer complaint, one part of

that citation is a correction order specifying the amount the respondent (usually the contractor) must pay to the complainant to remedy the complaint.

If the contractor does not pay the correction order amount within 30 days, the complainant can petition the contractor's surety company for up to \$7,500 of the correction order figure. In most cases the surety company will pay, then cancel the contractor's bond and notify the CSLB.

When the Board receives notification that a contractor's bond has been canceled, we

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California Licensed Contractor



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Contractors State License Board

January 1996

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Consumer Affairs

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Board Briefs: Task Force Updates

Education: The Board accepted the recommendations of the Contractor Education Task Force presented at the October meeting. The task force supported voluntary continuing education for contractors without mandating any new programs or specific educational requirements. It made the following recommendations:

1. Expand the Board's quarterly newsletter to include more educational articles and a "legislative alert" section.
2. Produce a summary of the new laws affecting contractors for publication and distribution to all licensed contractors as soon as possible after the close of the legislative year.
3. Compile all the CSLB videos and develop a video library in each district office for use by industry to educate contractors.

4. Have the Enforcement Committee look into the possibility of requiring or allowing continuing education as proof of rehabilitation by a contractor who has been disciplined and is applying to get his/her license reinstated or reissued. Establish a means to measure the effectiveness of this approach.

5. Unanimously support the Board's proposal to provide additional verification of certificates in support of experience on 100 percent of the applications for original licenses. This will strengthen the Board's efforts to ensure that only qualified contractors are able to obtain a license.

Home Improvement: Per the recommendation of the Classification and Regulation Task Force, the Board's Licensing

Committee reviewed a proposal to study a new certification for home improvement work at the December meeting. An issue paper presented to the committee by staff recommended that the subject be tabled temporarily.

Structural Defect: The Board accepted the definition for structural defect proposed at the October meeting. The CSLB was mandated to define the term by December 31, 1995, since recent legislation extended the statute of limitations for disciplinary actions for patent and latent defects in construction. A Board-approved definition was delivered to the Department of Consumer Affairs for review, after which it will be sent to the Office of Administrative Law for final review before becoming a Board regulation.

Education Fund for Contractors Needs Assistance

A construction management education fund created to help provide contractors with construction and/or management skills needs help.

The fund, known as the Construction Management Education Account, will provide assistance to construction management programs at state universities in Chico, Fresno, Long Beach, Pomona, San Luis Obispo and Sacramento and, perhaps

eventually, at other colleges and even educational programs offered through building exchanges, community colleges and TV.

"This program is funded by voluntary contributions from contractors interested in improving the construction industry," said CSLB Registrar Gail Jesswein. "As a contractor, you can help by contributing \$25 to the fund every time you renew your contractor's

license. I urge you to support this important educational effort."

Contractors can make their \$25 contributions by marking a box on the license renewal form or by sending checks directly to:

Construction Education
Management Account
CSLB
P. O. Box 26000
Sacramento, CA 95826

CHANGE OF ADDRESS FORM

Please type or print in ink. Forms completed in pencil are not acceptable.

Full Business Name (as it appears on CSLB records)

License No.

New Business Mailing Address: Number/Street or P. O. Box

City

State

Zip Code

If mailing address is a P. O. Box, you must also provide the street address of the business.

Number/Street

City

State

Zip Code

I certify under penalty of perjury under the laws of the State of California to the truth and accuracy of the above information.

Signature of Owner, Partner or Officer

Date

Phone Number

Mail to: CSLB, License Modification Unit, P. O. Box 26000, Sacramento, CA 95826

Claudette Weber: A Woman for All Stages

Ask Claudette Weber who she is and she'll tell you she's a contractor, a woman and a Hispanic — in that order.

She's also president of Brero Construction, a Santa Clara-based firm launched in 1981 with \$2,500 in savings and an old Volvo station wagon, and now the largest woman-owned general contracting firm — and the 116th largest Hispanic-owned business — in the country.

"Seeing myself as a contractor first makes me more acceptable in this industry," said Ms. Weber. "If you're a minority, it's fine to participate in your own community. But if you want to succeed in a field like construction, you must also participate in the more general part of your community."

"You have to jump into the pond."

Ms. Weber credits her father with instilling a faith in herself that enabled her, at age 38, to start her own construction company in the Bay Area. "He had logging and lumber trucks in Arcata, which is where I grew up," she said. "He convinced me I could do whatever I wanted to do."

Her start in the grown-up world was not exactly enterprising: early marriage, early parenthood, early divorce. By age 21 she was a

single mother of three.

She made her debut in contracting in 1963, as a receptionist with Anderson and Sons, a general contractor in Arcata. Her next company was Dickman Construction in Mountain View, then Cunningham Construction Corporation in Santa Clara, where she was a vice-president and secretary-treasurer.

"My advice to people just starting out is learn as much as you can about every single position. I've worked from receptionist on up, and that's a major reason Brero has been so successful."

She also makes a strong case for the benefits of stupidity. "If you don't know you can't do something, it's easier to just go ahead and do it."

Brero Construction (Brero was her maiden name) has had annual revenues of from \$12 million to \$18 million in the 1990s. "I was

fortunate to start business in the 1980s. We had steady, marvelous growth for the first 10 years, and since then it's gone up and down. Last year was bad because of all the

rain." She attributes her ability to weather such bad years to being very conservative financially. "I'm very proud that we've never had to lay anyone off."

Her company currently has 25 full-time and up to 200 seasonal employees. "Our employees feel they have a piece of the business," said Ms. Weber.

Three years ago she helped Brero employees purchase the New Mission City Millwork Company, a millwork subcontracting company in San Jose. She was the principal investor and is still listed as the president and responsible managing officer, but the other principals are buying back her share of the business.

"One of the perks of doing what I do is the enjoyment of seeing your people grow. New Mission is a good example of this. I love watching the competence and

the expertise of all my people."

"Of course there are mistakes," she added. "You need to make mistakes to go on. Around here we call mistakes the University of Brero."

Ms. Weber is called on frequently to address classes at the college and university level. "I tell them that what they are learning in school is indeed invaluable, but that they have to accept they are still apprentices, because they still need to learn so much more about the practical side of the business."

"A construction business is really two jobs," she said. "One is building buildings. The other is running the company. Success in one but not the other is a formula for failure." What she likes best about the construction industry is the way it "still allows room for the entrepreneurial spirit."

"You have to know this is a risky business. But with those risks come opportunities. Most industries don't have that. That's what makes construction so exciting."

Her marriage to Dan Weber in 1965 resulted in a family of seven children. She and her husband are also the principals in Webco-Pacific, another Santa Clara-based general construction firm. He's the president; she's the secretary-treasurer.



BONDS (continued from page 1)

automatically suspend the contractor's license — and it remains suspended until we receive notification that the contractor's bond has been reinstated by the same or another surety company -- or we receive a \$7,500 cash deposit.

Under certain circumstances a reinstatement can be retroactive to the time of the suspension and thus minimize the effect of the original bond termination on the contractor's business. There is, however, one very important effect: Any suspension becomes -- and remains -- a permanent and disclosable part of the contractor's record. In fact, all license suspensions and revocations remain on the disclosable record whatever the reason for the original suspension -- failure to comply with a citation, failure to pay the bond premium, etc.

Cash Deposits

There is an alternative to the contractor's bond. In lieu of

obtaining such a bond by paying a premium to a surety company, a contractor can post a \$7,500 cash deposit with the CSLB (\$10,000 for C-53 contractors), in the form of a certificate of deposit (CD), a bank savings account, a savings and loan investment certificate or share account, a credit union certificate for funds or share account, bearer bonds, a cashier's check or a bank-certified check — payable to the Board.

The advantage of the cash deposit is that you avoid premium payments. But there are two potential disadvantages to substituting a cash deposit for a bond: (1) The deposit will tie up a sizable cash asset during the time you are a licensed contractor; and (2) you cannot recover your cash deposit until two years after the end of the license period covered by the deposit. For example, if your deposit covers the period from February 1994 to February 1996, you would have to wait until February 1998 before you could

Continued on page 4

Blanket Payment and Performance Bonds

Two companies in California, Sears and Home Depot, have satisfied the requirements for keeping a blanket payment and performance bond on file with the Board.

Under Business and Professions Code section 7159(g), contractors or companies with a blanket payment and performance bond are exempted from three legal responsibilities: (1) the requirement that limits a down payment for a project to 10 percent of the project price or \$1,000, whichever is smaller (2 percent or \$200 for swimming pool contractors); (2) the requirement for a schedule of payments in the contract showing the amount of each payment, referenced to the amount of work or services performed and to any materials and equipment supplied; and (3) the requirement for a contractor to provide a full and unconditional release from any claim or mechanic's lien

whenever a payment has been made for a portion of the work.

Any licensed contractor or company wishing to establish a blanket payment and performance bond with the Board must meet the following conditions:

1. Purchase a bond the amount of which must equal or exceed the total dollar amount of home improvement contracts undertaken by the contractor at any given time (open contracts) during the contractor's fiscal year.
2. Include a notice in every home improvement contract form, in 10-point type, stating there is a payment and performance bond on file with the Registrar.
3. Annually submit a notarized statement, signed under penalty of perjury, certifying the licensee is in compliance with the first two conditions.

BONDS (continued from page 3)

recover your deposit. If you renewed your license in February 1996 and continued your cash deposit in lieu of the contractor's bond, you could not recover your deposit until February 2000, etc.

The state imposes this two-year waiting period in case a consumer files a complaint against the contractor after the period covered by the deposit.

For more information on cash deposits, call the CSLB toll-free information line, 1-800-321-2752, and press 247.

Performance Bonds

A performance bond guarantees that a project will be completed according to the building plans and specifications. If the contractor abandons the job, or the work is unacceptable, the bonding company must either hire another contractor to complete the work or settle for damages.

Payment Bonds

A payment bond assures the property owner that no liens for labor or material will be filed against the property.

Payment and Performance Bonds

A payment and performance bond is a combination of the above two kinds of bonds -- and the highest level of bond protection available to a consumer. A payment and performance bond usually only costs one percent of the contract total, yet it provides protection against liens as well as solid legal assurances the job will be completed in accordance with the job plans and specifications.

The Board encourages contractors to protect their customers and themselves by making their customers aware of payment and performance bonds during both the initial and final contract discussions.

It is possible for contractors to obtain an exemption from the state's bonding requirements by obtaining and maintaining a blanket payment and performance bond. See the shaded story about blanket bonds on page 3.

Contract Bonds

A contract bond provides the customer with two guarantees: (1) that the job will be completed; and (2) that all labor and materials will be paid for.

Bonds are like insurance: They provide your customers with a variety of levels of protection in the event of problems with quality of workmanship, financing, liens, schedules, etc. Encourage your customers to consider proper protection for their projects. It's a good investment!

Disciplinary Actions from September 1, 1995, to December 31, 1995

Note: Disciplinary actions do not include licenses suspended for failure to maintain required bonds. The following explanation may be helpful to identify causes of disciplinary action indicated by sections referenced in the table of Disciplinary Actions.

Business and Professions Codes

490	Relationship of conviction of a crime to licensed activity	7101.1	Violation of Section 206.5 of the Labor Code
7018.5	Failure to provide notice to owner regarding lien provisions	7111	Failure to keep records and to make them available to a representative of the Registrar
7026.7	Advertising as a contractor without a license	7111.1	Refusal to or failure to cooperate with deputy in investigation
7028	Acting in the capacity of a contractor without license	7112	Misrepresentation of a material fact on an application
7029	Contracting as a joint venture without the required license	7113	Failure to complete a project for the price stated in the contract
7029.5	Failing, as a plumbing, electrical sign or well drilling contractor to identify their business on their vehicle	7113.5	Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings
7030	Failing to include in a contract the notice that contractors are licensed by the Contractors State License Board	7114	Aiding and abetting an unlicensed person
7030.5	Failing to fulfill the requirement that the contractor's license number be placed on all contracts, subcontracts, calls for bid, and other forms of advertising	7115	Failure to comply with the Contractors' Law
7071.11	Judgment or admitted claim against bond	7116	Committing a willful or fraudulent act as a contractor
7083	Failing to report a change of address, namestyle, or personnel within 90 days	7117	Acting as a contractor out of name style
7085.6	Failure to comply with an arbitration award	7117.5	Contracting with inactive license
7090.1	Failure to comply with civil penalty or "order to correct" in Registrar's citation	7118	Contracting with unlicensed person
7097	Suspension of additional licenses	7119	Failure to prosecute a job with diligence
7098	Revocation of additional licenses	7120	Failure to pay for materials or services
7099.6	Non-compliance with a final citation	7121	Prohibition against associating with suspended or revoked license
7107	Abandonment of a project without legal excuse	7122	Participation of license in violating Contractors Law
7108	Diverted funds or property received for a specific job to other purposes	7122.5	Responsibility of Qualifying Person for acts committed by his/her principal
7109	Willfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner	7123	Conviction of a felony in connection with construction activities
7109.5	Violation of safety laws resulting in death or serious injury	7124	A plea of nolo contendere is considered a conviction
7110	Willful disregard and violation of building laws	7154	Employment of unregistered home improvement salesman
		7155	Participation in violation by a home improvement salesman
		7157	Model Home kickback prohibition
		7159	Failure to comply with contract requirements
		7161(b)	False advertising

Licenses Revoked

NAME AND ADDRESS	LIC #	SECTIONS VIOLATED	DATE
777 CARPENTRY & CONSTRUCTION SERVICES, RIVERSIDE	560239	7090.1	10-13-95
A & C ENTERPRISES, CORONA	563767	7090.1	09-11-95
A & D PLUMBING, HEMET	524800	7090.1	10-05-95
A B C CONSTRUCTION, YREKA	584780	7090.1	08-31-95
A B C REMODELING CO., LOS ANGELES	629937	7090.1	10-13-95
A F C BUILDER, MIRA LOMA	610120	7090.1	10-17-95
A-1 QUALITY CONTRACTORS, LONG BEACH	471080	7090.1	09-11-95
A-ASSURED ROOFING, ANAHEIM	474442	7090.1	10-05-95
ACADEMY ROOFING COMPANY-LA INC., SAN PEDRO	660022	7090.1	10-05-95
ADAM PHIL L - M H ERECTORS, RUMSEY	526805	7090.1	09-29-95
ADVANTAGE ROOFING INC., RIVERSIDE	468941	7090.1	09-06-95
AGUIREE ANTHONY DAVID, SUISUN	587800	7090.1	10-18-95
ALL CLEAR GLASS, BERKELEY	548661	7090.1	11-16-95
ALPHA AIR CONDITIONING TECHNOLOGIES INC., YORBA LINDA	586981	7090.1	09-11-95
AMERICAN EXTERIORS, LOS ANGELES	381497	7090.1	09-06-95
AMERICAN ROOFING SYSTEMS CORPORATION, SAN JOSE	568403	7113, 7120, 7071.11, 7115(7159), 7097, 7098, 7121.5	9-20-95
AMERICAN WEST CRANE & RIGGING INC., LINCOLN	640228	7090.1	10-17-95
AMMONS GENERAL CONTRACTING, SAN BERNARDINO	441854	7090.1	10-17-95
ANTHONY CONCRETE CONCEPTS, RIVERSIDE	287508	7090.1	09-11-95

[continued on page 5]

Revocations (cont. from page 4)

APPLEGARTH PAINTING, YUBA CITY	511125	7090.1	10-18-95
AQUA LINER, OCEANSIDE	633457	7090.1	09-11-95
AVON HOME REMODEL & BUILDERS INC., SAN DIEGO	587583	7090.1	09-11-95
AZEVEDO BUILDING & DEVELOPMENT INC dba AZEVEDO CONSTRUCTION, OAKLAND	382014	7090.1	10-18-95
AZTECA BUILDERS, SPRING VALLEY	266995	7090.1	10-13-95
B C I, HUNTINGTON BEACH	279192	7085.6	8-31-95
B RASMUSSEN CONST., MURRIETA	629189	7090.1	09-06-95
BARBER CHRISTOPHER, LAGUNA BEACH	504733	7090.1	09-06-95
BARRETO CONSTRUCTION COMPANY, NORTH HOLLYWOOD	458110	7107, 7113, 7108, 7111, 7115 (7159), 7121.5	11-20-95
BAY VALLEY CONSTRUCTION CO., SAN JOSE	384678	7090.1	10-18-95
BECKHAM TIMOTHY NEIL, RIVERSIDE	536560	7090.1	10-13-95
BIG ROOFING CO., SAN CARLOS	570120	7090.1	09-29-95
BILARDI TILE CO., LAGUNA NIGUEL	516021	7090.1	09-06-95
BISHOP CONSTRUCTION COMPANY, NUEVO	601063	7090.1	10-13-95
BLUNT-BROUGH ROOFING SYSTEMS, SAN JOSE	591944	7109a, 7109b, 7107, 7113, 7116, 7110, 7162b, 7117a, 7115(7083) 7159), 7097, 7098, 7121.5	9-20-95
BRENNER JACK R., LA CANADA	514000	7090.1	10-17-95
BREWSTER ARTHUR J CONSTRUCTION, VILLA PARK	460827	7090.1	10-05-95
BRIAN'S FLOORING SERVICE, MODESTO	469023	7090.1	10-27-95
BROWNS CONSTRUCTION, MODESTO	525324	7090.1	11-16-95
BURKE CONSTRUCTION, REDONDO BEACH	307541	7107, 7113, 7115, (7159D, G, J), 7116, 7097, 7098, 7121, 7121.5, 7122.5	10-25-95
BUTH FLOYD H., NORCO	548061	7090.1	10-13-95
C & S UNLIMITED CONSTRUCTION, SAN JOSE	647189	7090.1	09-29-95
CALHOUN DAVID GRANT, RIVERSIDE	603521	7085.6	10-26-95
CAMARILLO TONY PLASTERING, PICO RIVERA	463365	7090.1	09-06-95
CANOVA ROOFING CO., CANOVA PARK	651850	7090.1	10-17-95
CAST STEVE N., SANTA ANA	583682	7090.1	10-12-95
CAZZ CO. HEATING & AIR CONDITIONING, CASTRO VALLEY	633171	7112, 490, 7107, 7113, 7115 (7028) (7159), 7109, 7113, 7097, 7098, 7121, 7121.5	9-20-95
CENTER LINE MASONRY, ALTA LOMA	596767	7090.1	09-06-95
CENTRIFUGAL SYSTEMS INTERNATIONAL INC., WALNUT	594565	7090.1	09-29-95
CENTURY AMERICAN CORPORATION, ORANGE	356720	7090.1	10-13-95
CITY GLASS EXPRESS, SAN FRANCISCO	467683	7107, 7108, 7113, 7155(7027.3, 7030, 7083, 7116, 7120, 7097, 7098, 7121, 7121.5	10-27-95
CLOUD ELECTRIC, CORONA	522766	7090.1	10-13-95
COLLIER AND SONS CONST., INGLEWOOD	555962	7090.1	10-17-95
COMMERCIAL & RESIDENTIAL INS COMP., SACRAMENTO	424046	7090.1	08-31-95
CONANT CONSTRUCTION CO., WEST COVINA	650187	7107, 7109, 7113, 7121, 7102	8-31-95
CONSTRUCTION UNLIMITED, PROJECT CITY	281910	7107, 7113, 7114, 7115(7018.5, 7030, 7164), 7116, 7117a, 7097, 7098, 7121.5	10-27-95
CONSTRUX CONCRETE CONSTRUCTION, BLOOMINGTON	559447	7090.1	10-13-95
COPIA CORPORATION, REDONDO BEACH	520621	7090.1	09-06-95
CREATIVE CARPENTRY, POTTER VALLEY	603943	7090.1	08-31-95
CREATIVE CONCRETE, YUBA CITY	648336	7090.1	08-31-95
THE CUTTING EDGE, TULARE	433790	7090.1	09-06-95
CYPRESS ROOFING, SAN LORENZO	675232	7090.1	09-29-95
D A THOMAS ELECTRICAL, YORBA LINDA	604379	7090.1	10-05-95
D B FLATHERS INCORPORATED, RIVERSIDE	588319	7090.1	10-12-95
D R CONSTRUCTIO CO INC dba R E S CONSTRUCTION & FIRE PROTECTION CO., CHINO	624570	7090.1	10-13-95
D S ROOFING, SAN FRANCISCO	471983	7107, 7109, 7113, 7115(7018.5, 7083, 7159), 7116, 7097, 7098, 7121, 7121.5	10-13-95
D V NOURI WOOD FLOORS, SANTA BARBARA	579192	7090.1	09-27-95
DAM ELECTRIC, CITRUS HEIGHTS	308298	7090.1	10-18-95
DAVID & SALAZAR CONSTRUCTION CO., LOS ANGELES	599467	7090.1	10-05-95
DAVID DARWIN, COLTON	393471	7090.1	10-13-95
DAY-N-NITE ELECTRIC COMPANY, BELLEVUE, WA	654116	7090.1	10-18-95
DELL'ARINGA HOMES, STOCKTON	416848	7090.1	08-31-95
DELTA MECHANICAL AIR INC., FAIR OAKS	656806	7090.1	08-31-95
DI DOMENICO, SAN FRANCISCO	615545	7090.1	08-31-95
DI MARZIO ROOFING SERVICE, CAPITOLA	636562	7107, 7109, 7113, 7115(7159), (7030), 7097, 7098, 7121.5	9-30-95
DOWN TO EARTH LANDSCAPE AND HORTICULTURE, VALLEY SPRINGS	547527	7090.1	10-19-95
DOWN-TO-EARTH LANDSCAPE, BUENA PARK	496003	7090.1	10-05-95
DRTC CONSTRUCTION, FOLSOM	452836	7090.1	10-27-95
DUNN & SON'S DEVELOPMENT CO INC., CALIMESA	598585	7090.1	10-13-95
E & B AWNING, REDLANDS	466727	7090.1	10-13-95

[continued on page 6]

Classification Notes

Board Now Accepting C-5 Applications. The CSLB is now accepting applications for the recently approved C-5 (carpentry) classification. The Testing Unit completed the examination in early December as scheduled, following approval of the new classification, first by the Board and then by the state Office of Administrative Law. This decision resurrects a classification eliminated by a previous Board in the early 1950s.

C-28 Classification Expected in Spring. The CSLB Testing Unit expects an examination for the new C-28 classification (locksmithing) to be finished in February 1996, and the Licensing Unit anticipates it will be ready to accept C-28 applications soon thereafter — possibly as early as March. For several years locksmithing has been part of the D-16 classification known as “hardware, locks and safes,” a separate subclassification under the C-61 umbrella. Come spring, however, and locksmithing will have its own place in the C classifications.

Report Nigerian Scam 'Invitations'

Invitations from alleged officials of the Nigerian government to participate in a conspiracy to smuggle embezzled money out of Nigeria continue to target California contractors.

An article in the Fall 1995 *CLC* warned contractors to be on the alert for an ‘invitation’ to participate in a fraudulent scheme to smuggle money out of the African country of Nigeria through phony construction projects.

“The writer [of the invitation] states that he and his associates have embezzled millions from the Nigerian treasury and are now trying to get the funds out of Nigeria. The scheme involves sending the money to U.S. contractors for construction projects that were never carried out. All the contractor has to do is agree to help document the project by sending signed stationery with the company’s letterhead, signed company invoices and other information.”

The FBI warns those who receives one of these invitations that participation in this scheme is a violation of U.S. law and that violators will be subject to prosecution. Any contractor who receives one of these invitations should report the matter to the nearest FBI office immediately.

UAUs (continued from page 1)

to bid on work at a "sting" house. If their bid exceeds \$300 (the legal limit for unlicensed work) and they fail to have a license, they are cited as unlicensed contractors. Sweeps are generalized license checks in areas where construction work is observed.

The UAUs operate out of CSLB's three regional offices. Their addresses and telephone numbers are listed on page four of the "Legislative Update and Resource Directory," the special insert in this issue of the *California Licensed Contractor*.

The UAU deputies are investigators with authority to issue citations. For a first offense in a non-disaster area, unlicensed contractors may receive a civil citation and be fined from \$200 to \$15,000. They may also be charged with a misdemeanor and tried in a municipal court.

UAUs also check whether printed advertisements include the required license number, investigate complaints against unlicensed contractors and participate in the Governor's Joint Employment Enforcement Strike Force to battle the underground economy (see the "Registrar's Report" on page one).

Consumer education is an important part of CSLB's enforcement efforts against unlicensed contracting. The Board has found that getting publicity for stings and sweeps dramatically increases their impact. District offices always report an increase in phone calls after a well-publicized sting or sweep.

For example, this year there were stories on CSLB stings in the *Los Angeles Times*, *San Francisco Chronicle*, *Sacramento Bee* and many smaller newspapers. Television coverage occurred in all the major and many smaller media markets. UAU activities were also profiled in late 1995 on a nationally syndicated television show, "Save Our Streets."

In addition to working with the news media, the Board also initiated a public awareness campaign. From April through July of 1995, the "Get Smart, Get a Licensed Contractor" spots urged consumers in the state's five major media markets to hire only licensed contractors and explained

Continued on page 7

Revocations (cont. from page 5)

E A HOUSTON CONSTRUCTION, THOUSAND OAKS	267464	7090.1	09-27-95
ED DALTON, HILMAR	373501	7090.1	11-08-95
EFREN'S CONCRETE, ONTARIO	580555	7090.1	09-11-95
EGBERT MONTE PAUL, PLEASANT HILL	566848	7090.1	09-29-95
ELLIOTT CHRIS, QUAIL VALLEY	651290	7109A, 7113, 7115(7030, 7057), 7117.6, 7121.5, 7102	9-27-95
ESTRADA JIM CONST., VISALIA	507189	7090.1	10-17-95
EURO AMERICA CONSTRUCTION INC., CULVER CITY	617246	7090.1	10-12-95
EWING ROOFING, ORANGEVALE	549093	7090.1	10-18-95
FIEGE R E COMPANY INC., HUNTINGTON BEACH	478801	7085.6	9-25-95
FILLMAN CONSTRUCTION INC., WHITTIER	633275	7090.1	10-05-95
FIRE ALERT, WOODLAND HILLS	642716	7090.1	10-05-95
FORCIER CONSTRUCTION CO INC., ORANGE	620907	7090.1	10-05-95
FORS DOUGLAS WAYNE, YORBA LINDA	620274	7107, 7109, 7113, 7115(7030, 7151, 7117A, 7121	10-26-95
FOUNDATION CONSTRUCTION, CORONA	640192	7090.1	09-22-95
FROEBIG KENNETH E., PALOS VERDES ESTATES	613548	7090.1	09-06-95
FRYE CONSTRUCTION, CONCORD	610766	7090.1	09-29-95
G W R DEVELOPMENT, SANTA MONICA	535587	7109, 7113, 7115(7090.5), 7097, 7098, 7121	9-23-95
GARY M. NORBY INC., PALO CEDRO	307095	7071.11(C), 7109(A), 7109(B), 7110, 7113, 7116, 7119, 7097, 7098, 7121.5	11-27-95
GIGI ENTERPRISES, CHULA VISTA	656566	7090.1	10-13-95
GILLESPIE PLBG dba PLUMBING CONSULTANTS, SIMI VALLEY	352321	7090.1	10-17-95
GOLDEN STATE ROOFING, SAN FRANCISCO	665029	7090.1	11-16-95
GOOD NEWS BUILDERS, OXNARD	578910	7090.1	11-08-95
GREEN CONSTRUCTION COMPANY, OAKDALE	528868	7090.1	11-16-95
H & H GLASS CO., OCEANSIDE	113136	7090.1	09-11-95
HARRISON ENGINEERING AKA: HARRISON CONSTRUCTION, GARDEN GROVE	651191	7112, 7121, 7102	10-27-95
HERDMAN BROTHERS INC., TEMECULA	607608	7116, 7121, 7122.5	10-25-95
HEROLD DESIGN & CONSTRUCTION, IRVINE	400595	7090.1	09-06-95
HERZOG WILLIAM FRANCIS, POWAY	633757	7085.6	10-23-95
HILL'S CONCRETE, WEST POINT	607210	7090.1	10-27-95
HINES COMPANY THE, LOS ANGELES	455737	7090.1	09-11-95
HODGES SCOTT ALLEN dba HODGES DEVELOPMENT, RANCHO PALOS VERDES	464651	7090.1	09-06-95
HOMESTEAD ROOFING INC., RIVERBANK	596024	7090.1	08-31-95
HOTEL & INSTITUTIONAL CONTRACTORS INC dba ADVANCED HEATING & AIR, SANTA BARBARA	648006	7090.1	10-17-95
HOTLINE ROOFING CO., NEWPORT BEACH	604887	7090.1	09-06-95
INTEGRATED ENERGY SYSTEMS, BREA	473430	7097, 7098, 7121, 7121.5, 7122.5	10-25-95
J & M CONSTRUCTION COMPANY, BUENA PARK	605568	7090.1	10-05-95
J A CONSTRUCTION INC., LAGUNA BEACH	625588	7090.1	09-06-95
J C WORLD ROOFING CO., LOS ANGELES	587768	7090.1	10-17-95
J L MASONRY CONSTRUCTION, ATASCADERO	558465	7090.1	11-08-95
J N L CORPORATION, LEUCADIA	509476	7090.1	10-26-95
J P S CONSTRUCTION, REDONDO BEACH	668050	7107, 7113, 7115, (7159D, G,J), 7116, 7097, 7098, 7121, 7121.5, 7122.5	10-25-95
J R BUILDERS, LAGUNA BEACH	523107	7090.1	10-17-95
J Z DRYWALL COMPANY, DOWNEY	554524	7090.1	09-06-95
JEFFREY H ROANE CO., SEAL BEACH	454975	7090.1	10-13-95
JENSEN CONSTRUCTION COMPANY, PHOENIX, AZ	612107	7090.1	09-11-95
JERREK CONSTRUCTION INCORPORATED, NORTH HIGHLANDS	572852	7090.1	09-29-95
JESSE JOHNSTONE MASONRY, NORTH HIGHLANDS	514490	7090.1	11-16-95
JOSEPH GOMEZ BUILDER, CULVER CITY	301125	7107, 7113, 7115(7030) (7159), 7117, 7121.5	7-29-95
JOSHUA'S FLOOR COVERING, CAMBRIA	608393	7090.1	10-17-95
K J CONSTRUCTION, FRAZIER PARK	503887	7090.1	10-17-95
K R MORALEZ GENERAL CONSTRUCTION, FULLERTON	661088	7090.1	09-06-95
KENDALL CONSTRUCTION, OCEANSIDE	565696	7090.1	09-11-95
KIRKS ROOFING, LEMAN GROVE	637259	7090.1	10-13-95
KITCHEN AFFAIR INC., YORBA LINDA	536631	7109, 7113, 7117, 7117.6, 7115 (7083, 7028.5, 7154), 7115, 7159A,D,G,J, K,L,	10-25-95
KRAMER STEVEN BRUCE, DANA POINT	605590	7090.1	10-05-95
L & L ENGINEERING, ANAHEIM	405939	7090.1	09-06-95
LAMPHERE STRUCTURES, VACAVILLE	488098	7090.1	11-16-95
LAPRO CONSTRUCTION CO., DOWNEY	527998	7107, 7109, 7113, 7119, 7121	10-26-95
LARRY STROUD CONSTRUCTION, TWIN FALLS, ID	568659	7090.1	09-29-95
LESLIE BERENY, THOUSAND OAKS	611363	7085.6	8-1-95
LINDSEY ROBERT G II, NEWPORT BEACH	334772	7090.1	09-06-95
LYNCO, CITRUS HEIGHTS	622273	7090.1	10-18-95
M & M BUILDERS ASSOCIATION, LOS ANGELES	653002	7085.6	11-15-95
M C CABINET CO., INGLEWOOD	538572	7098, 7121.5	7-28-95

[continued on page 7]

Revocations (cont. from page 6)

MARK BREITENSTINE CONCRETE CONSTR. CO., OAKDALE	421356	7090.1	08-31-95
MARK DENNIS CONSTRUCTION, MINERAL	552627	7107, 7109, 7113, 7115 (7030), 7159, 7102	8-24-95
MARK STEVENS PLUMBING, LA CRESCENTA	564992	7090.1	09-27-95
MARKRIS ROOFING COMPANY, NORTH HOLLYWOOD	458348	7090.1	10-17-95
MARTA SIERRA CONSTRUCTION COMPANY, SACRAMENTO	280182	7090.1	10-18-95
MARTINDALE ROBERT F., WALNUT	538192	7090.1	09-27-95
MARWAH CONSTRUCTION INC., CONCORD	605077	7090.1	11-16-95
MASSEY AUBREY, RIVERSIDE	623493	7090.1	09-06-95
MC CARTNEY KIRK A., LA COSTA	519369	7090.1	10-17-95
MC COLLUM PAINTING & DECORATING, CITRUS HEIGHTS	669671	7090.1	08-31-95
MC CUE CONSTRUCTION CO., TUSTIN	437711	7090.1	09-06-95
MC DONALD JOHN DEAN dba ALLIED BUILDERS & REMODELERS, SAN DIEGO	410219	7090.1	10-13-95
MC GEE THOMAS R JR., RIVERSIDE	612092	7090.1	10-13-95
MICHAEL BLETHEN, LEXINGTON, KY	438120	7090.1	11-08-95
MILLER KENNETH EMIL, DANA POINT	636589	7090.1	09-06-95
MODIFIED PATIOS, SAN JOSE	395543	7085.6	9-14-95
MOLINARI CERAMIC TILE CO., SAN CARLOS	568932	7085.6	10-1-95
MOORING BROTHERS TREE SERVICE INC., WHITTIER	506149	7090.1	09-06-95
MOUNTAINSIDE DEVELOPMENT, MORENO VALLEY	518571	7090.1	10-17-95
NEIGHBORHOOD HANDYMAN CLUB dba AMERICAN HOUSECRAFTERS, NEWPORT BEACH	636529	7090.1	10-13-95
NEVILLE CONSTRUCTION, ORANGEVALE	264800	7090.1	10-18-95
ODENO CONSTRUCTION COMPANY, GARDEN GROVE	500177	7090.1	10-05-95
P B ROOFING, OXNARD	655313	7090.1	10-17-95
P C R ROOFING ENTERPRISES INC., SACRAMENTO	602480	7107, 7109, 7113, 7115, (7159), 7116, 7120	10-10-95
PACIFIC WEST ROOFING, ANAHEIM	552155	7090.1	10-05-95
PATIO POWER INC., TARZANA	601593	7090.1	10-27-95
PATIOS WITH STYLE, ANAHEIM HILLS	440731	7090.1	09-06-95
PATRICK FRANCIS JERROLD MASONRY, SAN JUAN CAPSTRANO	490089	7090.1	09-06-95
PEARCY WALTER V., QUARTZ HILL	493630	7090.1	10-17-95
PEGASUS BUILDERS, LONG BEACH	430427	7107, 7113, 7114	5-30-95
PERFORMANCE SERVICE CONTRACTORS, VENICE	646174	7090.1	08-31-95
PHASE ONE HARDWOOD, SEPULVEDA	572190	7090.1	10-17-95
POWERS CUSTOM ROOFING, SACRAMENTO	309421	7098	10-10-95
PRESTIGE PLASTERING, PERRIS	593876	7090.1	10-13-95
PRO-GLASS POOLS & SPAS INC., HEMET	576114	7090.1	09-11-95
PUGLIESE CONSTRUCTION, BALDWIN PARK	558614	7090.1	11-08-95
QUALITY LANDSCAPING, HUNTINGTON BEACH	611113	7090.1	10-27-95
R & B PRECISION DRYWALL, ROCKLIN	596158	7090.1	10-27-95
RADLER ROLAND, WOODLAND HILLS	545196	7090.1	10-20-95
RAFING IMAGES INC DBA R C D, FAIR OAKS	573415	7107, 7109A, 7109B, 7110, 7113, 7117, 7117.5, 7115(7028), (7030), 7159, 7097, 7098, 7121.5, 7122.5	10-25-95
RAIN-MASTER INC., ROCKLIN	499694	7090.1	11-16-95
RAINBOW PAINTING AND WALLCOVERING INSTALLATION, WALNUT CREEK	492011	7090.1	10-18-95
REVIVER PAINTING, EL SEGUNDO	571217	7090.1	10-13-95
RIC'S EXCAVATORS, DUTCH FLAT	413238	7090.1	10-18-95
RICHAK STEPHEN WILLIAM, LOS ANGELES	599459	7085.6	10-5-95
RICK'S CONSTRUCTION, COOL	526577	7090.1	11-16-95
RIENOEHL CONSTRUCTION, FONTANA	603990	7090.1	10-17-95
RIVERA AND BAKER ROOFING 15760 POCONO STREET 7090.1	, CA 91744	10-05-95	616055
ROBERT A SNYDER CERAMIC TILE, LA PUENTE	547835	7090.1	11-09-95
ROBSON PAINTING, ESCONDIDO	487774	7090.1	10-13-95
RODENE ENTERPRISES INC DBA: R C D CONSTRUCTION, ANAHEIM HILLS	539629	7107, 7113, 7115(7159D, G,J), 7116, 7097, 7098, 7121, 7121.5, 7122.5	10-25-95
RUSSELLS'S EXCAVATING, ATASCADERO	320988	7090.1	10-17-95
RYAN PACIFIC CONSTRUCTION COMPANY, PALO CEDRO	568976	7090.1	11-16-95
SAVVY CONSTRUCTION INC., LONG BEACH	574077	7090.1	09-06-95
SCHUMANN RUSSELL LYNCH, WALNUT CREEK	507016	7090.1	10-18-95
SCIGLIANO JIM ROOFING, CORONA	421454	7090.1	09-06-95
SEAL-TITE ROOFING COMPANY, LANCASTER	470724	7090.1	10-05-95
SEASIDE LANDSCAPE, CARDIFF	548417	7090.1	10-13-95
SEAVUE CONCRETE COMPANY, ANAHEIM	629856	7090.1	09-07-95
SHUTT PHILLIP, BELLFLOWER	624073	7090.1	09-06-95
SILVERADO LANDSCAPING INCORPORATED, RANCHO CORDOVA	592994	7090.1	09-29-95
SKLAROFF DAVID HESTON DBA DADRI ELECTRIC, UNTINGTON BEACH	638168	7113, 7120, 7121.5, 7097, 7078, 7102	10-26-95
SMITH D L BUILDERS, PALMDALE	576215	7090.1	10-17-95

[continued on page 8]

Board Adds Basic Management Guide for Construction to Approved Study List

The CSLB recently approved the addition of a basic management manual developed by the National Association of State Contractors' Licensing Agencies (NASCLA) to its recommended reading list for those preparing for a contracting exam.

The manual, called *Construction Management Guide: Basic Business and Project Management for Contractors*, is an overview of basic management techniques. The chapter titles are: (1) "Introduction," (2) "Planning and Organizing," (3) "Risk Management," (4) "Estimating," (5) "Scheduling," (6) "Safety Regulations," (7) "Employer Obligations," (8) "Financial Management," and (9) "Contract Law." Each chapter concludes with an extensive bibliography for those who want to explore that chapter's subject matter more thoroughly.

This new manual is addressed primarily to contractors at the entry level, according to NASCLA Executive Director Steve Schmidt, but it can also be a valuable tool for more experienced contractors. "According to a recent study," said Mr. Schmidt, "more than 85 percent of contractors fail because of business management shortcomings. This manual was conceived and developed to provide contractors with a basic foundation in business management practices in order to help prevent those kinds of failures."

The 90-page guide is available for \$22.50 from NASCLA, P.O. Box 30478, Phoenix, AZ 85046 or by phone from the Builders Book Depot, 1-800-284-3434 and the Construction Bookstore, 1-800-253-0541.

The purchase price includes the cost of first-class postage and handling.

UAUs (continued from page 6)

why unlicensed contractors should be avoided. CSLB offices received a record number of calls in response to these broadcasts.

CSLB has obtained commitments from an additional 53 television stations to run the spots as public service announcements, and those spots are now playing throughout the state. More public awareness activities are in the works and will be reported in future editions of the *CLC*.

REPORT (continued from page 1)
 used to identify geographic areas where teams consisting of CSLB, DLSE and EDD investigators conduct sweeps. These joint agency strike force teams have conducted numerous on-site investigations resulting in citations for violations of a number of contractor, labor and tax laws.

The UAU generally conducts approximately 100 job site investigations per month, issuing an average of 30 citations for contractor law violations to both licensed and unlicensed contractors, mostly for workers' compensation violations or contracting without a license.

The strike force is extremely popular with honest, licensed contractors. More importantly, in all probability more contractors are now complying with the contractors license and related laws due to these activities.

If you suspect that someone is part of the underground economy, call the UAU telephone numbers listed on page four of the "Legislative Update and Resource Directory" included as an insert in this newsletter.

Revocations (cont. from page 7)

SOUTH COAST POOLS, LAGUNA HILLS	518018	7107, 7113, 7108.57115(7 159), 7120	7-18-95
SPONGBERG KIRKLAND & ASSOCIATES INC., LAKEWOOD	520958	7090.1	10-05-95
STADLER CONSTRUCTION, EL TORO	487797	7090.1	10-05-95
STANDARD SERVICE CO., HOMEWOOD	311306	7018.5, 7109A, 7109B,(7030, 7164), 7097, 7098, 7121.5	10-13-95
STELLAR ROOFING, UPLAND	394964	7090.1	09-06-95
STEVE'S SANDBLASTING, VENTURA	562738	7090.1	09-27-95
SUNNY HILLS PLUMBING, WHITTIER	626611	7112, 7102	10-25-95
SUNRISE ROOFING, LOMITA	399380	7090.1	09-25-95
SUPPORT SYSTEMS PLUS, CHICO	600976	7090.1	11-17-95
SYKESGROUP, SAN LUIS OBISPO	471497	7090.1	11-08-95
T & D POOLS, TEMECULA	429498	7090.1	10-13-95
T L M ELECTRIC INC., PLEASANTON	538061	7090.1	11-16-95
THERN H., DAVILLE	365236	7090.1	10-18-95
TIM PHELPS CONSTRUCTION, RANCHO SANTA MARGARITA	492897	7090.1	09-06-95
TOM WHITE GENERAL BUILDING CONTRACTING, MORGAN HILL	414052	7090.1	08-31-95
TRI VALLEY LANDSCAPES, GUSTINE	591576	7085.6	9-16-95
TRIPLE H RANCH HOMES, ADELANTO	662351	7090.1	09-06-95
TYLER SCOTT D dba CORNERSTONE POOLS, CANYON LAKE	568599	7090.1	10-13-95
ULTIMATE STRUCTURES dba ULTIMATE CONCRETE, REDDING	607981	7090.1	10-18-95
VARSITY PRO PAINTERS, LA JOLLA	595018	7090.1	10-13-95
VEGA HENRY FRANK, SANTA ANA	487516	7090.1	09-06-95
VEGAS CONSTRUCTION COMPANY, MANTECA	327027	7109, 7113, 7115 (7159), 7097, 7098, 7121, 7121.5	9-20-95
VOELKEL DESIGNS, IRVINE	566539	7090.1	10-05-95
W R TAYLOR CONCRETE, RIVERSIDE	532151	7090.1	10-13-95
WELL JOSEPH BRIAN dba MGM CONTRACTORS, RANCHO SANTA MARGARITA	621479	7090.1	09-06-95
WELSH JAMES JOSEPH III, VALENCIA	254203	7090.1	10-17-95
WESLEY W HERMAN INC dba CUSTOM WOOD INDUSTRIES, VAN NUYS	512322	7090.1	09-29-95
WESTERN FRAMING INC., THOUSAND OAKS	602577	7085.6	8-1-95
WHITEY'S CREW, COSTA MESA	600917	7090.1	10-05-95
WIKI-WIKI-INC., OAKLAND	533298	7090.1	10-18-95
WILLIAMS ROOFING, LAVERNE	673502	7110, 7097, 7098, 7121.5	10-6-95
WINGS OF EAGLES CONSTRUCTION INC., ARTESIA	574079	7090.1	09-06-95
YEUNG KAH TOA, SAN JOSE	545139	7090.1	09-29-95

California Licensed Contractor



Contractors State License Board

P.O. Box 26000

Sacramento, California 95826

CSLB CALENDAR

1996 Meetings

January 25-26: Board Meeting, Wyndham Hotel LAX, Los Angeles

March 13-14: Committee Meetings, San Diego

April 24-25: Board Meeting, Sacramento

June 12-13: Committee Meetings, Burbank

July 24-25: Board Meeting, Oakland

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GAIL W. JESSWEIN, REGISTRAR
JANUARY 1996

Legislative Update and Resource Directory

Special Insert Provided for First Time

Since 1995 was the first of a two-year session, some bills CSLB followed were not passed but are being held until 1996. Following is a listing of some of the "two-year" bills.

AB 147, K. Murray

Would amend the Public Contractor Code to require a prime contractor or subcontractor that contracts for services with a public agency to pay to any provider of services, not later than 10 days of receipt of each progress payment, the respective amounts allowed to the contractor on account of the work performed by the provider of services.

AB 255, Speier

Would create a centralized debt collection program in which the Franchise Tax Board would collect all or part of outstanding accounts receivable for specific state agencies (including CSLB).

AB 1276, McDonald

Would provide for an association of surety insurers for the purpose of apportioning insurance coverage to contractors unable to obtain that insurance.

AB 1915, V. Brown

Would require CSLB to develop criteria by which persons may be certified as having the necessary work experience, etc., relating to public works to satisfactorily perform and complete public works contracts.

SB 112, Hurtt

Would provide that records of a citation, civil penalty or other form of discipline against a licensed contractor are not subject to disclosure if the person has had no civil penalties or other form of discipline for the previous five years and if the person held a current active license during the entire five-year period.

SB 442, Solis

Among other things, would transfer CSLB from the Department of Consumer Affairs to a newly created Labor Agency.

SB 1052, Solis

Would provide the Registrar and his or her agents free access to places where contractors conduct business as necessary for the enforcement of unlicensed activity.

The Contractors State License Board is pleased to provide this special insert, designed for you to pull out and keep with your contractor license records. This insert not only details new laws passed that impact your contractor's license, but also contains reference information that you will want to keep year-round.

Each year, the Board reviews all legislation and takes positions as appropriate. These positions are communicated to the author and sponsor. The Board keeps apprised of legislation throughout the session through detailed summaries provided by CSLB. We are also regularly updated on legislation that impacts the construction industry but not contractor's licenses. Legislatively speaking, 1995 was another active year for the CSLB with numerous bills to analyze and watch. A summary of those bills begins on the next page.

In addition, the Board sponsors legislation when necessary. The Board's author for our

most recent bill, Senator Mountjoy, is a former contractor himself. The Senator is profiled in the article below.



Mrs. Phil Moore currently chairs the Contractors State License Board's Legislative Committee. She has served on the Contractors State License Board since her original appointment in 1990. She was reappointed in 1992 by Governor Pete Wilson. Mrs. Moore has served as Vice-Chairman of the entire Board, chaired the Executive and Administration Committees, and been an active member of the Licensing Committee. She recently chaired a special task force charged with cutting red tape that resulted in the removal of six regulations.

What will the future hold for licensed contractors? It's very hard to predict. The shaded box provides a glimpse of some two-year bills that are on this year's agenda. Be assured that we keep an ever-vigilant watch on issues impacting your license.

Senator Mountjoy: Legislator, Contractor

Senator Richard Mountjoy's interest in construction issues is not a surprise, since he was a general contractor before he began his legislative career. "It is a feeling of accomplishment to take a bare piece of dirt, draw a building on a piece of paper, and to then construct the building," said Senator Mountjoy. "It is exhilarating to say, 'I built that building.'"

The Senator (R-Monrovia) built a thriving general contracting company based in Monrovia. His company dealt nearly exclusively in commercial developments, including project development for Chrysler, American Motors and Ortho Mattress in seven western states. In the mid 80s his sons took over the business, and the Senator has not been active in the company since that time.

While active in the company, Senator Mountjoy remembers his biggest challenge to be "overcoming the bureaucracy. In the past, you could build with little government interference. That has changed," he noted. What Senator Mountjoy would also like to see changed is

workers' compensation. Besides the Board's sponsored bill, SB 1061, Senator Mountjoy has carried other construction-related bills, including other Board-sponsored legislation, and numerous bills to reform the workers' compensation system. Although those bills have not passed, he plans to introduce a new workers' compensation reform bill early next year.

While very busy in the present, he has thought about his future. "I still love building," said Senator Mountjoy. "When I do leave the Legislature, I plan to go into land development."



Legislative Update

One bill sponsored by the Contractors State License Board, SB 1061, was signed by the Governor and chaptered this year, which began the 1995-96 Legislative Session. Following is information on that bill as well as on other legislation that will impact the Board and California's licensed contractors. These bills became effective on January 1, 1996, unless otherwise indicated.

If you would like copies of any of the chaptered bills referenced in this Update, request them in writing from the State Legislative Bill Room, State Capitol, Room B-32, Sacramento CA 95814, or call the Bill Room at (916) 445-2323.

CHAPTERED BILLS

AB 151 (Chapter 785), Baca

Urgency Measure Effective October 12, 1995: Expresses findings and declarations of the Legislature with regard to the use of chlorinated polyvinyl chloride (CPVC) pipe. Declares that it is the intent of the Legislature, in enacting the bill, to allow the use of CPVC piping in building construction in California as an alternate material under specified conditions. Provides that, notwithstanding any other provision of law, the provisions of the California Plumbing Code that do not authorize the use of CPVC piping within California shall not apply to any local government that permitted the use of CPVC piping for potable water systems within its jurisdiction prior to January 1, 1996. Requires that the CPVC piping be used in accordance with specified work practices and flushing procedures. Because the provisions of the bill are added to the State Housing Law, violation of these provisions would be punishable as a misdemeanor. The provisions of this bill will sunset on January 1, 1998.

AB 311 (Chapter 37), Baca

Requires a licensed contractor to pay all transportation charges submitted by a duly authorized motor carrier of property in dump truck equipment by the 20th day following the last day of the calendar month in which the transportation was performed, if the charges and documentation are submitted by the fifth day following the last day of the calendar month in which the transportation was performed. This payment is required to be made unless otherwise agreed to in

writing by the contractor and the duly authorized motor carrier. In the event of a good faith dispute over a portion of the charges claimed, the contractor is permitted to withhold payment of up to 150% of the disputed amount or an amount otherwise agreed to by the parties. Violation of these provisions constitutes a cause for disciplinary action and subjects the contractor licensee to a penalty of 2 percent of the amount due per month for every month that payment is outstanding. In an action for the collection of moneys not paid, the prevailing party is entitled to attorney's fees and costs.

AB 717 (Chapter 623), Ducheny

Establishes specific certification, training and continuing education requirements for construction inspectors, plans examiners and building officials who are employed by a local agency in a temporary or permanent capacity. Exempts from its training and certification requirements any person currently and continuously employed by a local agency as a construction inspector, plans examiner or building official, for not less than two years prior to the effective date of the bill, until that person obtains new employment. Exempts registered professional engineers, licensed land surveyors and licensed architects who contract with a local agency from the requirements of the bill, but continues to make requirements of the bill applicable to professional engineers, licensed land surveyors and licensed architects employed by a local agency. Exempts construction inspectors or plans examiners employed by any city or county fire department or district providing fire protection services from the requirements of the bill.

AB 901 (Chapter 225), Goldsmith

Urgency Measure Effective July 31, 1995: Repeals the requirement that a preliminary 20-day notice (private work) must be given, prior to the recording of a mechanic's lien and prior to the filing of a stop notice, to every subcontractor with whom the claimant has contracted. Repeals the requirement that notice regarding withholding payment be given to the subcontractors with whom the claimant has contracted. Provides that if a surety or sureties on any payment bond given pursuant to provisions of law regarding private works record the bond before the work of improvement is completed, any action for recovery on the payment bond against the surety or sureties shall be commenced not later than 6 months after the completion of the work of improvement.

Specifies that existing law - which provides that if a 20-day preliminary notice is not given, a claimant may enforce a claim upon a payment bond given in connection with a private or public work by giving written notice to the surety and bond principal (as specified) - only applies to contracts entered into on or after January 1, 1995.

AB 914 (Chapter 800), Cunneen

Allows an employer to secure the payment of compensation on employees provided to it by agreement by another employer by entering into a valid and enforceable agreement with that other employer under which the other employer agrees to obtain, and has in fact obtained, workers' compensation coverage for those employees. Specifies that employers who have complied with this requirement shall not be subject to penalties for failure to provide workers' compensation coverage or tort liability in the event of employee injury.

AB 1374 (Chapter 926), Speier

Requires all state agencies, with limited exceptions, on or before January 1, 1997, to accept payments made by means of a credit card or a payment device, and to submit to the Director of General Services, a letter of intent as specified. Authorizes state agencies, or the Director of General Services acting on behalf of state agencies, to negotiate and enter into contracts to implement and facilitate the acceptance of credit card and payment devices by state agencies. Makes it a misdemeanor for an officer or employee of a state agency or other individual who, in the course of his or her employment or duty has or had access to payment card information provided to the state agency under these provisions, to disclose or make known in any manner information provided under these provisions or use the information for any unauthorized purpose.

AB 1610 (Chapter 123), Archie-Hudson

Urgency Measure Effective July 17, 1995: Revises the definition of "disaster" as it relates to disaster-related home solicitation contracts to mean a sudden or catastrophic occurrence for which a state of emergency has been declared by the President of the United States or Governor or for which a local emergency has been declared by the executive officer or governing body of any city, county or city and county.

Legislative Update

SB 320 (Chapter 255), Petris

Prohibits the home solicitation of a consumer who is a senior citizen where a loan is made encumbering the primary residence of that consumer for purposes of paying for home improvements and where the transaction is part of a pattern or practice in violation of specified provisions of federal law governing consumer loans. Specifies that a third party is not liable under these provisions unless (1) there was an agency relationship between the party who engaged in home solicitation and the third party or (2) the third party had actual knowledge of, or participated in, the unfair or deceptive transaction. A third party who is a holder in due course under a home solicitation transaction is not liable under the provisions of this bill. Specifies that the provisions of the bill apply to contracts entered into on or after January 1, 1996.

SB 338 (Chapter 654), Campbell

Provides that revenues derived from the assessment of fines and penalties by any state agency shall not be expended unless the Legislature specifically provides authority for the expenditure of these funds in the annual Budget or other legislation.

SB 523 (Chapter 938), Kopp

Revises the procedures for administrative adjudications by expanding the hearing procedure options available to state agencies and by including additional due process and public policy requirements. (Note: This is a comprehensive bill. Some requirements become effective January 1, 1996; other requirements become effective July 1, 1997.)

SB 639 (Chapter 373), Peace

Makes it unlawful for any contractor to offer any insurance agent, broker or adjuster any fee, commission, profit sharing or other form of direct or indirect consideration for referring an insured to a contractor or its employees or agents for repairs to or replacement of a structure covered by a residential or commercial insurance policy. Also makes it unlawful for any contractor, or employees or agents thereof, to knowingly offer or give any discount intended to offset a deductible required by an insurance policy covering repairs to or replacement of a residential or commercial structure.

SB-1029 (Chapter 864), Calderon

Prescribes conditions for a common interest development association to satisfy before it commences an action for damages against the builder of the development for a defect in the design or construction of the development. Would require a court to determine in the interest of justice if the action should be dismissed or if another remedy should be fashioned if the association does not comply with the requirements.

SB 1061 (Chapter 467), Mountjoy

Sponsored by the Contractors State License Board: Clarifies that charges against an unlicensed contractor must be filed within three years of the date of the contract, or completion or abandonment of the work, whichever occurs last.

Specifies that governmental entities and their representatives must be acting in an official capacity in order to be exempt from the Contractors License Law and specifies that ALL governmental entities must contract with a licensed contractor.

Incorporates the certification exemption in existing provisions of the Health and Safety Code relating to bidding on asbestos-related projects into the Contractors License Law.

Clarifies that the definition of "licensee" contained in the Contractors License Law applies to ALL provisions of that law.

Specifies that whether administrative action is taken pursuant to a hearing or by default, the Registrar of Contractors has the authority to suspend or revoke all additional licenses that a licensee qualifies pursuant to an accusation by the Registrar, or when the licensee fails to notify the Registrar of any entered and unsatisfied judgments, or when the licensee fails to comply with an arbitration award.

Clarifies that all grounds for suspension or revocation of a license which are contained in the Contractors License Law are subject to the reinstatement provisions outlined in Business and Professions Code Section 7102.

Clarifies the Registrar's authority to take disciplinary action against those licensees operating with an EXPIRED license.

Separates the contractor's bond requirement from the disciplinary bond provisions. The provisions relative to the contractor's bond are retained in Business and Professions Code

Section 7071.6. The provisions relative to the judgment bond are recast into new Code Section 7071.17 and existing language modified to ensure that members of the personnel of record on a license with an outstanding construction-related judgment are prohibited from being a qualifier on another license unless the judgment is satisfied. Also provides for lifting of a suspension if the contractor files a notarized copy of an accord.

Requires a corporation to notify the CSLB in writing within 90 days of a dissolution, merger or surrender of its right to do business in California and specifies that failure to notify the CSLB shall cause the license to be canceled on the date the written notification was received at the Board's headquarters. If the corporation fails to notify the CSLB, the license will be canceled 60 days after the Board's discovery when researching the corporate records of the Secretary of State. Failure to notify the CSLB within 90 days of the dissolution, merger or surrender constitutes grounds for disciplinary action. Also clarifies the partnership license provisions contained in this same code section by specifying how the provisions apply to both general and limited partners.

Provides the CSLB the authority to suspend a corporate license that is not registered and in good standing with the Secretary of State. Reinstatement could be made at any time following the suspension by providing proof satisfactory to the Registrar that the corporate license is properly registered and in good standing.

Revises the requirement that license pre-suspension notices be sent via certified mail and requires the Registrar to provide a post-suspension notice which informs the licensee of the suspension date, the cause for suspension and reinstatement procedures.

Corrects erroneous references relating to workers' compensation insurance coverage and specifies that the CSLB shall require information from a licensee to assure compliance with the requirement to provide workers' compensation insurance where a reciprocity issue is involved.

Corrects the inconsistency in the four-year statute of limitations contained in Business and Professions Code Section 7091 and the three-year statute of limitations contained in Section 7030.

Resource Directory

Write to:

Contractors State
License Board
Post Office Box 26000
Sacramento CA
95826

Always include your contractor license number, previous names, if any, and daytime telephone number when corresponding with CSLB.



Another source of information on contracting and the CSLB is the Internet. Information is available in the following categories:

License and application status information

Licensing and exam information

How to file a complaint

Information for disaster victims

Order forms and applications

CSLB office locations

CSLB publications and pamphlets

New topics, new laws, pending legislation

To report unlicensed activity, contact the appropriate Unlicensed Activity Unit.

Northern Region: (916) 255-2924
Southern Region: (714) 994-7435
Central Region: (818) 543-4736

CSLB AUTOMATED PHONE RESPONSE SYSTEM

The Automated Phone Response System (APRS) is an automated, toll-free number, (800) 321-2752, for obtaining information, forms, publications and other valuable assistance pertaining to contracting and the Contractors State License Board. The following categories identify the kinds of information and materials available through the APRS, followed by the number to press on your touch-tone phone to gain access to or information about each category.

License Maintenance

License renewal 2151
Adding a class 21521
Asbestos certification 21522
Hazardous substances removal 21523
License structure 2153
Changing a business name/address 21541
Changing officers of the corporation 21542
Dissociation of qualifying person 21543
Replacing the qualifying person 21544
Inactivating a license 21551
Reactivating a license 21552
Canceling a license 2156
Contractors bonds 2157
Workers' compensation 2158

Ordering Forms

License renewal form 243
Reactivation form 243

Inactivation form 243
Add class/RME/O replacement application 244
Joint venture application 244
Asbestos certification application 245
Hazardous waste application 245
Name/address change form 246
Change officers form 246
Dissociation form 246
Bond forms/cash alternative forms 247
Qualifier bond exemption form 247
Workers' compensation exemption form 248

"Asbestos: A Contractors Guide and Open Book Exam" 262

"California Contractors License Law and Reference Book" 263 (information on how to order)

CSLB OFFICES

HEADQUARTERS: 9835 Goethe Road, Sacramento CA 958267 (916) 255-3900

NORTHERN REGION: 10365 Old Placerville Road, #220, Sacramento CA 95826 (916) 255-4028

COMPLAINT DISCLOSURE: (916) 255-4041

UNLICENSED ACTIVITY UNIT: (916) 255-2924

FRESNO: 3374 E. Shield Ave., #E-17, Fresno 93726 (209) 445-5281

OAKLAND: 8201 Edgewater Dr., #200, Oakland 94621 (510) 577-2429

ROSEVILLE: 151 N. Sunrise Ave., #1107, Roseville 95661 (916) 782-1610

REDDING BRANCH: 1900 Churn Creek Rd., #117, Redding 96002 (916) 224-4790

SACRAMENTO: 10365 Old Placerville Rd., #220, Sacramento 95826 (916) 255-4450

MODESTO BRANCH: 3320 Tully Rd., B-8, Modesto 95350 (209) 576-6235

SAN FRANCISCO: 301 Junipero Serra Blvd., #206, San Francisco 94127 (415) 469-6200

SANTA ROSA BRANCH: 50 D St., #105, Santa Rosa 95404 (707) 576-2192

SAN JOSE: 100 Paseo de San Antonio, #319, San Jose 95113 (408) 277-1244

SOUTHERN REGION: 7001 Village Dr., #260, Buena Park 90620 (714) 994-7430

COMPLAINT DISCLOSURE: (714) 994-7450

UNLICENSED ACTIVITY UNIT: (714) 994-7435

LONG BEACH: 245 W. Broadway, #145, Long Beach 90802 (310) 590-5331

MORENO VALLEY: 12981 Perris Blvd., #208, Moreno Valley 92553 (909) 485-6011

SAN BERNARDINO: 1250 E. Cooley Dr., #200, Colton 92324 (909) 370-4560

SAN DIEGO: 5280 Carroll Canyon Rd., #250, San Diego 92121 (619) 455-0237

SANTA ANA: 28 Civic Center Plaza, #351, Santa Ana 92701 (714) 558-4086

CENTRAL REGION: 411 N. Central Ave., #525, Glendale 91203 (818) 543-4731

COMPLAINT DISCLOSURE: (818) 543-4735

UNLICENSED ACTIVITY UNIT: (818) 543-4736

INGLEWOOD: 1 Manchester Blvd., #603, Inglewood 90301 (310) 412-6395

SAN GABRIEL: 411 N. Central Ave., #520, Glendale 91203 (818) 551-2101

SAN LUIS OBISPO BRANCH: 3220 S. Higuera St., #103-A, San Luis Obispo 93401 (805) 549-3166

VAN NUYS: 6150 Van Nuys Blvd., #300, Van Nuys 91401 (818) 901-5168

VENTURA: 1787 Mesa Verde Ave., #110, Ventura 93003 (805) 654-4515

EARTHQUAKE RESPONSE CENTER: 6150 Van Nuys Blvd., #230, Van Nuys 91401 (818) 908-4592

(800) 321-2752 (CSLB)

California Contractors State License Board