

SEPTEMBER 23, 2021
SACRAMENTO, CALIFORNIA

CONTRACTORS STATE LICENSE BOARD

Quarterly Board Meeting
DAY 2





CONTRACTORS STATE LICENSE BOARD

STATE OF CALIFORNIA

9821 Business Park Drive, Sacramento, California 95827

Mailing Address: P.O. Box 26000, Sacramento, CA 95826

800.321.CSLB (2752) | www.cslb.ca.gov | CheckTheLicenseFirst.com

NOTICE OF PUBLIC BOARD MEETING AND TELECONFERENCE OPTION FOR MEMBERS OF THE PUBLIC

MEETING LOCATION

Contractors State License Board Headquarters, John C. Hall Hearing Room
9821 Business Park Drive, Sacramento, CA 95827

TELECONFERENCE OPTION

To facilitate social distancing requirements, members of the public are encouraged to utilize the Board's teleconference line. By using the teleconference option, members of the public do not need to be physically present and may participate in the board meeting by offering public comments on agenda items using the teleconference information below.

Please note: The teleconference call-in information is different for Day 1 and Day 2 of the Board meeting. Teleconference instructions are at the end of this agenda.

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

Day 1: September 22, 2021, 9:00 a.m. – 5:00 p.m. (or until the conclusion of business)

Teleconference Information to Join Meeting for Members of the Public:

Call-In Number: 415-655-0001 or 844-621-3956

Access code: 255 790 19675

Event Password: 87892283

and

Day 2: September 23, 2021, 9:00 a.m. – 12:00 p.m. (or until the conclusion of business)

Teleconference Information to Join Meeting for Members of the Public:

Call-In Number: 415-655-0001 or 844-621-3956

Access code: 255 231 57121

Event Password: 39548925

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

Members of the public can address the board during the public comment session. Public comments will also be taken on agenda items at the time the item is heard and

prior to the Board taking any action on said items. Total time allocated for public comment may be limited at the discretion of the board chair.

MEETING AGENDA – Day 1
Wednesday, September 22, 2021 – 9:00 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair’s introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Presentation of Certificates of Recognition – May Include Oral Presentations Commemorating Board Member and Subject Matter Expert Achievements
- D. Legislation
 - 1. Update on 2021 Legislation
 - a. AB 107 (Salas) Licensure: Veterans and Military Spouses
 - b. AB 246 (Quirk) Contractors – Disciplinary Actions
 - c. AB 569 (Grayson) Contractors – Letters of Admonishment
 - d. AB 830 (Flora) License Qualifier Requirements
 - e. SB 607 Fees/Proposed License Bond Increase
 - f. SB 757 (Limon) Solar Energy Systems Improvements Consumer Protection
 - 2. Regulatory Updates / Actions
 - a. Review, Discussion, and Possible Action to Amend or Adopt Title 16, California Code of Regulations Sections 832 (Specialty Contractors Classified) and 832.49 (Class C-49 – Tree and Palm Contractor)
 - b. Review, Discussion, and Possible Action to Adopt Title 16, California Code of Regulations Section 825.5 (C-47 – General Manufactured Housing Contractor Initial Installer Training Requirement)
 - c. Review, Discussion, and Possible Action to Make to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Sections 858.1 (Blanket Performance and Payment Bond Requirements) and 858.2 (Application for Approval of Blanket Performance and Payment Bond)
 - d. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend Title 16, California Code of Regulations Section 872 (Disclosure of General Liability Insurance) and Repeal Section 872.1 (Checklist for Homeowners) and/or Make Non-substantive Rule 100 Changes to Sections 872 (Disclosure of General Liability Insurance) and 872.1
 - e. Review, Discussion, and Possible Action to Initiate a Rulemaking to Amend and/or Make Non-substantive Rule 100 Changes to Title 16, California Code of Regulations Section 884 (Assessment of Civil Penalties)

E. Licensing

1. Licensing and Testing Program Statistical Update
2. Update and Discussion on CSLB Administered Surveys
 - a. Applicant Satisfaction Survey
 - b. Consumer Satisfaction Survey

F. Enforcement

1. Enforcement Program Statistical Update

G. Executive

1. Review and Possible Approval of the June 3, 2021 Board Meeting Minutes and July 27, 2021 Board Meeting Minutes
2. Registrar's Report
 - a. Tentative Board Meeting Schedule
 - b. Battery Energy Storage System Outreach
 - c. National Association of State Contractors Licensing Agencies Licensing and Enforcement Records Database Concept
3. CSLB Budget Update
4. Administration Update Regarding Personnel and Facilities
5. Information Technology Update
6. Strategic Planning Session – Department of Consumer Affairs, SOLID Planning Solutions
 - a. Overview of the Strategic Planning Process
 - b. Overview of Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis
 - c. Environmental Scan Review
 - d. Review of Possible Update of Mission, Vision, and Value Statements
 - e. Development of Strategic Objectives
 - i. Enforcement
 - ii. Legislation
 - iii. Licensing and Testing
 - iv. Public Affairs
 - v. Executive
 - f. Overview of Process for Finalizing Strategic Plan for Adoption by the Board

CLOSED SESSION

- H. Closed Session: Pursuant to Government Code Section 11126(a)(1) the Board Will Move Into Closed Session to Conduct an Evaluation of the Performance of the Registrar

RETURN TO OPEN SESSION

- I. Recess

MEETING AGENDA DAY 2

Thursday, September 23, 2021, 9:00 a.m.

- A. Call to Order, Roll Call, Establishment of Quorum and Chair's introduction
- B. Public Comment for Items Not on the Agenda and Future Agenda Item Requests
(Note: Individuals may appear before the CSLB to discuss items not on the agenda; however, the CSLB can neither discuss nor take official action on these items at the time of the same meeting (Government Code sections 11125, 11125.7(a)).
- C. Joint Discussion with Nevada State Contractors Board (NSCB)
 1. Discussion Regarding CSLB and NSCB Operational and Structural Comparison
 - a. Board Member Composition
 - b. Budget
 - c. License Population
 - d. License Fee Schedule
 - i. California 2022 potential fee increases
 - e. Criminal Background Checks
 - f. Insurance Requirements
 - g. Exam Waivers with Other States
 - h. Consumer Restitution Programs
 2. Discussion on Comparison of Nevada and California General Building Contractor Classifications
 3. Solar Industry Discussion
 - a. Residential Solar Enforcement Update
 - b. License Classification Review
 - c. Legislative Changes
 - i. Nevada SB 303 (Brooks & Spearman) Solar Consumer Protections
 - ii. California AB 137 (Committee on Budget) Solar Recovery Fund
 4. Proactive Enforcement: Multi-State NASCLA Stings
 5. COVID 19 Process Improvements
 - a. Internal Improvements
 - b. Industry Improvements
- D. Adjournment

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

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

Instructions for Public Participation in CSLB Teleconference Meeting Option

The instructions below are for members of the public who want to participate in CSLB's September 22-23 meeting using the teleconference option.

Join with Telephone

Call one of the two phone numbers provided on the meeting agenda. Enter the meeting access code when prompted. Please note the codes for Day 1 and Day 2 are different.

To Offer Public Comment During the Meeting

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

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

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

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



CONTRACTORS STATE LICENSE BOARD

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AGENDA ITEM A

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

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

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

Board Member Roster

KEVIN J. ALBANESE	DIANA LOVE
FRANK ALTAMURA, JR.	MICHAEL MARK
RODNEY COBOS	JAMES RUANE
DAVID DE LA TORRE	JOHNNY SIMPSON
MIGUEL GALARZA	NANCY SPRINGER
DONALD GIARRATANO	MARY TEICHERT
SUSAN GRANZELLA	



AGENDA ITEM B

Public Comment Session - Items Not on the Agenda

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

BOARD AND COMMITTEE MEETING PROCEDURES

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

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



AGENDA ITEM C

Joint Discussion with Nevada State Contractors Board (NSCB)



AGENDA ITEM C-1

Discussion Regarding CSLB and NSCB Operational and Structural Comparison

- a. Board Member Composition
- b. Budget
- c. License Population
- d. License Fee Schedule
 - i. California 2022 potential fee increases
- e. Criminal Background Checks
- f. Insurance Requirements
- g. Exam Waivers with Other States
- h. Consumer Restitution Programs



Comparison of CSLB and NSCB Regulations/Operations—August 2021

	California	Nevada																								
Year Started	1929	1941																								
# of Board Members	15	7																								
Board Member Makeup	Ten Public Members <ul style="list-style-type: none"> • One Labor Representative • One Building Official • One Senior Citizen Organization Five Contractor Members <ul style="list-style-type: none"> • One "A" Engineering Contractor • Two "B" General Contractors • Two "C" Specialty Contractors 	One Public Member Six Contractor Members																								
Board Member Appointing Authority	Governor: 11 Members Senate Pro Tempore: 2 Public Members Assembly Speaker: 2 Public Members <i>All members serve four-year terms</i>	Governor: All 7 members <i>All members serve three-year terms</i>																								
Budget (fiscal year 2020-21)	\$70,333,000	\$6,991,150																								
Staff Size	428	45																								
# of Licensees	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">As of 8/1/2021</th> <th style="text-align: center;">Change from 8/1/2020</th> </tr> </thead> <tbody> <tr> <td>Active:</td> <td style="text-align: center;">230,225</td> <td style="text-align: center;">Up 1,126</td> </tr> <tr> <td>Inactive:</td> <td style="text-align: center;">51,792</td> <td style="text-align: center;">Down 1,557</td> </tr> <tr> <td>Total:</td> <td style="text-align: center;">282,017</td> <td style="text-align: center;">Down 431</td> </tr> </tbody> </table>		As of 8/1/2021	Change from 8/1/2020	Active:	230,225	Up 1,126	Inactive:	51,792	Down 1,557	Total:	282,017	Down 431	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">As of 5/1/2020</th> <th style="text-align: center;">Change from 5/1/2019</th> </tr> </thead> <tbody> <tr> <td>Active:</td> <td style="text-align: center;">17,068</td> <td style="text-align: center;">Up 541</td> </tr> <tr> <td>Inactive:</td> <td style="text-align: center;">485</td> <td style="text-align: center;">Down 25</td> </tr> <tr> <td>Total:</td> <td style="text-align: center;">17,553</td> <td style="text-align: center;">Up 516</td> </tr> </tbody> </table>		As of 5/1/2020	Change from 5/1/2019	Active:	17,068	Up 541	Inactive:	485	Down 25	Total:	17,553	Up 516
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Active:	17,068	Up 541																								
Inactive:	485	Down 25																								
Total:	17,553	Up 516																								
# of New Applications (fiscal year 2020-21)	42,172	2,326																								
Develop Exams / Administer Exams	Yes 7 CSLB-run Test Centers in California	Yes 3 PSI-run Test Centers in Nevada 400 PSI-run Test Centers Nationwide																								
# of Renewal Applicants (fiscal year 2020-21)	125,671	7,968																								
Cost of Original Application / Exam / Initial License	Application: \$330 Initial License: \$200	Application: \$300 Initial License: \$600																								
Criminal Background Checks	Yes	Yes																								
Time Until License is Renewed	Two Years	Two Years																								
Cost of Renewal	\$450 (\$470 for Electricians)	\$600																								
Surety Bond	Yes	Yes																								
Workers' Compensation Insurance	Yes	Yes																								
General Liability Insurance	Yes (only if LLC)	No																								
Handyman Exemption	Yes Less Than \$500	Yes Less Than \$1,000																								
Exam Waivers Availabilities "Reciprocity/Endorsement"	Yes – 3 States Arizona, Louisiana, Nevada	Yes – 12 States Alabama, Arizona, California, Connecticut, Florida, Hawaii, Louisiana, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia																								
# of Complaints (fiscal year 2020-21)	Licensed: 12,321 Unlicensed: 3,683	Licensed: 1,230 Unlicensed: 974																								
Recovery Fund	Yes Solar	Yes Residential																								
Amount of Restitution Recovery / Recovery Funds Awarded (fiscal year 2020-21)	\$45,386,154	\$427,852																								
# of Licenses Revoked (fiscal year 2020-21)	524	34																								

AGENDA ITEM C-2

Discussion on Comparison of Nevada and California General Building Contractor Classifications





CONTRACTORS STATE LICENSE BOARD

Nevada and California General Building Contractor Classifications

Nevada	California
<p>Class "B" General Building Contractor: The principal business is in connection with the construction or remodeling of buildings or structures for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in their construction the use of more than two unrelated building trades or crafts, upon which he or she is a prime contractor and where the construction or remodeling of a building is the primary purpose.</p>	<p>Class "B" General building contractor: A contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.</p>
<p>Residential and Small Commercial (subclassification B-2): The construction and remodeling of houses and other structures which support, shelter or enclose persons or animals or other chattels, and which do not extend more than three stories above the ground and one story below the ground.</p>	<p>Residential remodeling contractor (B-2): A contractor whose principal contracting business is in connection with any project to make improvements to, on, or in an existing residential wood frame structure, and the project requires the use of at least three unrelated building trades or crafts for a single contract.</p>
<p>Premanufactured Housing (subclassification B-1): The fitting, assembling, placement and installing of premanufactured units, modular parts and their appurtenances for the erection of residential buildings which do not extend more than three stories above the ground.</p>	<p>C-47 - General Manufactured Housing Contractor: Installs, alters, repairs, or prepares for moving any type of manufactured, any type of mobile home, and any type of multifamily manufactured home, including the accessory buildings or structures, and the foundations. A manufactured home does not include any recreational vehicle, commercial coach, or factory-built housing.</p>
<p>Speculative Building (subclassification B-3): The construction upon property owned by the contractor of structures for sale or speculation.</p>	
<p>Service Stations (subclassification B-4): The construction of structures and installation of equipment used to perform service upon vehicles.</p>	
<p>Prefabricated Steel Structures (subclassification B-5): The construction with prefabricated steel of structures to be used for the support, shelter or enclosure of persons or animals or other chattels.</p>	
<p>Commercial Remodeling (subclassification B-6): The remodeling and improvement of interior spaces in structures which support, shelter or enclose persons or animals or other chattels, including, without limitation, structures which exceed more than three stories in height and buildings with fewer than three stories that are connected to structures which exceed three stories. The provisions of this subsection do not authorize a person licensed in subclassification B-6 to perform, manage or supervise the installation, removal or modification, temporarily or permanently, of any structural member, mechanical system, fire protection system, or other life safety system.</p>	

AGENDA ITEM C-3

Solar Industry Discussion

- a. Residential Solar Enforcement Update
- b. License Classification Review
- c. Legislative Changes
 - i. Nevada SB 303 (Brooks & Spearman)
Solar Consumer Protections
 - ii. California AB 137 (Committee on
Budget) Solar Recovery Fund





CONTRACTORS STATE LICENSE BOARD

NEVADA SB 303 (BROOKS AND SPEARMAN) SOLAR CONSUMER PROTECTIONS

BILL NUMBER: SB 303 (Brooks and Spearman)

LINK TO ENROLLED BILL (FULL TEXT):

<https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bill/7916/Text>

SUMMARY (Nevada Bill Title)

This Nevada bill relates to contractors. SB 303 does the following:

- Prohibits a person from performing any work concerning residential photovoltaic systems used to produce electricity without the proper license or other authorization under state law;
- Establishes certain requirements for work concerning residential photovoltaic systems and contracts relating thereto
- Requires the Nevada State Contractors' Board to adopt regulations establishing certain standards for advertisements for work concerning residential photovoltaic systems;
- Provides that a contract for work concerning a residential photovoltaic system is not enforceable against an owner of a single-family residence under certain circumstances;
- Authorizes the Nevada Contractors Board to require contractors who perform work concerning residential photovoltaic systems to obtain the services of a construction control, and/or a performance bond or payment bond under certain circumstances;
- Provides for penalties against a contractor who performs work concerning residential photovoltaic systems for certain violations;
- And other related changes



CONTRACTORS STATE LICENSE BOARD

CALIFORNIA AB 137 (COMMITTEE ON BUDGET)

BILL NUMBER: AB 137 (Committee on Budget)

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB137

STATUS/LOCATION: Approved by the Governor July 16, 2021. Chaptered by Secretary of State - Chapter 77, Statutes of 2021.

SPONSOR: As it relates solely to the provisions of the bill affecting CSLB – the Dolores Huerta Foundation.

CODE SECTION: Amends multiple sections within California law.

SUMMARY

The bill creates a “Solar Energy System Restitution Program” within the Contractors State License Law, as one-time “General Fund” appropriation by the Legislature to provide restitution to consumers as specified in the bill.

EXISTING LAW: No comparable existing law.

THIS BILL

- Makes \$5 million available for restitution to consumers who have been financially harmed by a solar contractor (CSLB can use up to \$1 million for administration costs).
- Applies to solar contracts entered after January 1, 2016, for which a financial injury can be shown.
- Provides that a consumer will file a complaint or claim for review by CSLB.
- Provides that CSLB ask for documentation such as the contract, information about what was paid to have the system installed, and information about the value of the system in order to determine financial injury.
- Provides that CSLB may refer at its discretion any claims for recovery to a third-party arbitration program for resolution.
- Provides CSLB 90 days from the date it decides an award exists to forward for approval to the Department of Consumer Affairs (DCA). DCA will then have 90 days to issue a check.

COMMENT/ANALYSIS

Staff believes qualifying financial harm will include work in need of correction, contracted work not performed, fraudulent acts relating to monies received for work not performed, misuse of construction funds, and false statements made to induce or persuade a person into entering a solar contract.

CSLB will be unable to award restitution for claims made against active contractors in good license standing that are willing and able to resolve the consumer’s complaints or against predatory financing agreements, i.e., CSLB will review for bad acts committed



by the contractor not the lender or bank. CSLB will also be unable to award for secondary damage claims, e.g., water damage interior walls and flooring occurring from a roof leak.

STAFF RECOMMENDATION: INFORMATIONAL ONLY

This recovery fund language was amended into this bill June 27, 2021. The bill was signed by the Governor on July 16, 2021, and written to take effect immediately as a bill providing for appropriations related to the Budget Bill.

AGENDA ITEM C-4

Proactive Enforcement: Multi-State NASCLA Stings





23309 N. 17th Drive, Building 1, Suite 110
Phoenix, Arizona 85027
Phone: (623) 587-9354
Fax: (623) 587-9625

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Contact: Angie Whitaker, CAE
NASCLA Executive Director
Phone: (623) 587-9354
Email: angiewhitaker@nascla.org

NASCLA ANNOUNCES 2021 NATIONAL COORDINATED ENFORCEMENT EFFORT
THE OPERATION INCLUDED 8 STATE MEMBERS ACROSS THE COUNTRY, TARGETING UNLICENSED CONTRACTORS

PHOENIX, AZ – JULY 1, 2021

The National Association of State Contractors Licensing Agencies (NASCLA) participated in a national coordinated enforcement effort the weeks of June 7 – 25, 2021, which included 8 NASCLA State Members who took part in this event across the country. States with regulatory agencies participating included: Arizona, California, Florida, Minnesota, Mississippi, Nevada, North Carolina, and Texas.

The national coordinated enforcement effort focused on elevating the regulatory agency's presence in the community and nationally. The goal of our state members was to come together in a united partnership to promote both consumer and public protection through the licensing and/or registration of contractors and tradesmen. The enforcement effort involved state public information departments, investigative departments, executive directors/officers and the public media.

This nationally coordinated collaboration among our state members provided the opportunity to protect the consumers, deter illegal construction activity and level the playing field for legitimate contractors in the construction industry. Along with combating the increased illegal unlicensed activity nationally, the intention was to warn consumers that they need to be aware of these activities for regulatory compliance.

Based on joint coordinated enforcement efforts during the weeks of June 7 – 25, 2021, NASCLA State Members reported a total of **538** that were found non-compliant with state licensing requirements. Administrative citations, criminal notices, legal actions, additional investigations, and more have been issued by the state contractor licensing agencies. The following regulatory agency statistics were reported by the NASCLA State Members based on their national coordinated enforcement efforts:



On Friday, June 18, 2021, the **Arizona Registrar of Contractors (AZ ROC)** performed a statewide enforcement effort aimed at educating businesses and property owners about Arizona’s contracting laws. AZ ROC’s participation represented one of many states participating in their own efforts, all in coordination with the National Association of Contractor Licensing Agencies (NASCLA).

AZ ROC dedicated 15 two-person teams of investigators to make contact with contractors, unlicensed entities and property owners to increase outreach, provide education, and when necessary, issue warnings or violations.

The 30 investigators concentrated efforts in Maricopa, Coconino, Yavapai, Gila, Pinal, Pima, Santa Cruz and Cochise counties and made contact with 236 individuals, including 30 homeowners, 184 contractors, 9 unlicensed entities, 5 business property owners, 5 building officials and 3 law enforcement officers.

The vast majority of contacts are described as educational in nature. The AZ ROC did however issue over 30 warning letters for violations such as contracting without a license, aiding and abetting unlicensed entities and working outside the scope of a license.

Director of the Arizona Registrar of Contractors Jeff Fleetham stated, “A remodeling project is one of the most expensive things a home or property owner will do, and yet many are unaware the contractor they hire needs a license. The goal of concentrated efforts like this and the territory management our investigators do every day is to make sure Arizona property owners and business know Arizona’s contracting laws and where they can go with questions.”

[View the Arizona Registrar of Contractors Full Press Release](#)



A series of statewide stings and sweeps conducted by the **California Contractors State License Board (CSLB)** has revealed that unlicensed activity was not slowed by the pandemic.

During the operation, 74 people were cited for unlicensed contracting. One of the many ways unlicensed contractors put homeowners at risk is because they do not carry workers’ compensation insurance, making consumers liable if someone is injured on the job.

"Licensed contractors have proven experience, qualifications and verifiable business credentials to do the job right," said David Fogt, CSLB Registrar. "This enforcement effort shows that even in an industry thriving after the pandemic there are still unlicensed contractors looking to take advantage of consumers," Fogt said.

From June 7 to 25, 2021, CSLB partnered with local law enforcement to conduct four undercover sting operations in El Cajon, San Diego County; Montclair, San Bernardino County; St. Helena, Napa County; and in Visalia, Tulare County. Undercover stings target unlicensed contractors, with investigators contacting the suspects through their advertisements.

The suspected unlicensed operators came to the sting locations to place bids on projects including concrete, electrical, flooring, kitchen and bathroom remodeling, landscaping, painting, plumbing, roofing, and tree services. As a result, a total of 56 legal actions were filed and 49 people are accused of contracting without a license. Unlicensed contractors can face penalties of up to 6 months in jail and/or a fine of up to \$15,000 if they bid or contract for work valued at more than \$500.

[View the California Contractors State License Board’s Full Press Release](#)



The **Florida Department of Business and Professional Regulation (DBPR)** licenses and regulates more than one million Florida businesses and professionals, from real estate agents and veterinarians to contractors and cosmetologists. Protecting the public from unlicensed activity is one of DBPR's top priorities. DBPR regularly performs "sweeps" of regulated businesses and professionals to ensure they are working within the constraints of their licensees.

From June 7 – 25, 2021, the Division of Regulation conducted a statewide sweep targeting unlicensed construction and electrical contractors. The sweeps were performed by 10 regional field offices and netted a total of 169 unannounced site visits with 489 license checks of construction and electrical contractors.

Additionally, the Division of Regulation's Gainesville field office performed an enforcement operation, where they provided individuals the opportunity to offer services that require a license. These individuals often provide a bid, proposal, or performance of the service to an undercover investigator and/or law enforcement personnel. Once confirmed that the individuals are unlicensed to provide such services, cases are initiated against them.

As a result of all sweeps and enforcement operations, 55 cases were initiated.

[View the Florida Department of Business and Professional Regulation's Full Press Release](#)



The **Minnesota Department of Labor and Industry (DLI)** participated with the National Association of State Contractors Licensing Agencies (NASCLA) in a national coordinated

enforcement effort the weeks of June 7 – 25, which included 8 NASCLA State Members that took part in this event across the country.

In addition to their regular casework, investigators with DLI's Construction Codes and Licensing Division's Enforcement unit devoted time each day to search various online platforms for unlicensed residential building contractors offering services for which licensure is required. Many of the consumer complaints DLI receives relating to unlicensed contractors are from homeowners who found their contractor on websites such as Craigslist, Facebook, Home Advisor, Neighborhood and Thumbtack.

During the period of the coordinated effort, DLI investigators identified 56 unlicensed contractors and have so far opened 28 formal cases that are now being investigated for possible enforcement action. However, in many cases the contractor provides only a first name and phone number, which makes identifying them difficult for enforcement purposes and points out the danger these unlicensed individuals pose to homeowners, who should always get a contractor's full name and address and check their state license status before considering hiring them.

"Minnesota homeowners are able to obtain compensation from the Contractor Recovery Fund if they suffer a loss as a result of a contractor's failure to perform," said DLI Commissioner Roslyn Robertson, "but only if the contractor they hire is licensed."

[View the Minnesota Department of Labor and Industry's Full Press Release](#)



The **Mississippi State Board of Contractors** filed complaints against 22 contractors for working without a license as part of a national enforcement effort to combat unlicensed construction activity conducted from June 7 – 25, 2021. The nationwide effort was coordinated by the National Association of State Contractors Licensing Agencies (NASCLA).

In Mississippi, enforcement staff visited more than 350 jobsites, filed 22 complaints and are investigating an additional 41 cases, announced MSBOC Executive Director Stephanie Lee. “Participation in the national effort highlights the work performed by enforcement officers on a daily basis. MSBOC placed a special emphasis on the important role contractor licensing plays in ensuring public safety and consumer protection by making 275 educational contacts with consumers,” said Lee.

Contractors must hold a Mississippi contractor’s license in order to perform most work on homes and commercial structures. Licensing protects public health, safety and welfare by ensuring contractors meet minimum standards and are properly insured to cover liability and worker’s compensation claims.

[View the Mississippi State Board of Contractors’ Full Press Release](#)



During the weeks of June 7 – 25, 2021, the National Association of State Contractors Licensing Agencies (NASCLA) brought together NASCLA State Members from across the country in a national coordinated enforcement effort. While formal efforts were not constructed by the **North Carolina State Board of Examiners of Electrical Contractors**, during these 3 weeks, the agency did receive 26 complaints by consumers alleging charges against applicants, non-licensees, licensees, or qualified individuals with the Board.

“Our mission is to protect the life, health and property of the public through examination of applicants, education of licensees and discipline of individuals to promote quality electrical contracting in accordance with the North Carolina General Statutes,” said Tim Norman, Executive Director of the North Carolina State Board of Examiners of Electrical Contractors. “The efforts made by NASCLA and its members to support the licensing of contractors and tradesmen is extremely important to the consumer, to increase awareness of the potential risks of hiring unlicensed and to deter illegal construction activity.”



Over the past 3 weeks, the **Nevada State Contractors Board's (NSCB)** Enforcement Division has been engaged in a multi-state effort to combat individuals unlawfully performing construction related activities in the State of Nevada, including those advertising without a license (NRS 624.720) and contracting without a license (NRS 624.700). Investigators from the Board's Compliance and Special Investigations Divisions teamed up to perform 121 site visits during the 3-week time period where violations of NRS Chapter 624 were validated among licensed and unlicensed contractors.

The Board's investigations resulted in 20 criminal cases for unlawful construction activities; 8 cases related to violations of industry regulations under NRS 624; and the issuance of 13 Cease and Desist Orders, 3 criminal citations and 4 violation letters, which are generally administered to first-time offenders whose actions do not pose an immediate or serious threat to the public's health, safety, and welfare. Only 2 cases opened during the reporting period were found to have no violation established.

"Every day, Nevada consumers are harmed by the misleading and dishonest practices of unlicensed contractors. Nationwide efforts that collaboratively raise awareness of deceptive and unlawful contractor tactics are vital to the ongoing protection of the public's health, safety, and welfare," explains NSCB Executive Officer Margi A. Grein. "The cases filed with the Contractors Board reflect a small portion of the actual harm that is taking place within Nevada's communities. We want to use this opportunity to reinforce the hiring of licensed contractors, but also to encourage consumers to file complaints with our Board when they experience problems with their contractors, which allows us to investigate the facts and take appropriate action."

[View the Nevada State Contractors Board's Full Press Release](#)



The **Texas Department of Licensing and Regulation (TDLR)** will file at least 49 enforcement cases against unlicensed electricians and air conditioning contractors as a result of the agency's participation in a national operation aimed at deterring illegal, unlicensed activity.

"If you hire an unlicensed contractor, you're putting your family's safety at risk. Licensed electricians and air conditioning contractors have completed training and passed examinations that cover regulations and building codes designed to protect health and safety," said Brian E. Francis, TDLR executive director. "They've also had criminal background checks and have liability insurance to cover damage or injuries. Always check the [TDLR website](#) to make sure that your electrician or air conditioning contractor is licensed."

TDLR enforcement investigators ran a one-week undercover sting in the Houston area. During the sting, TDLR investigators contacted people who advertised electrical and air conditioning services in local newspapers or on social media and did not include license information in the ads as they're required to do by state law. Investigators filed 49 enforcement cases against unlicensed electricians and air conditioning contractors who offered to perform unlicensed work during the sting.

In addition, TDLR Regulatory Program Management (RPM) electrician program staff and members of the TDLR Anti-Trafficking Unit (ATU) visited 45 construction sites in the Central Texas area where electrical work was being performed, checking 621 people who were working as electricians. The vast majority of those working as electricians were licensed.

[View the Texas Department of Licensing and Regulation's Full Press Release](#)



“The **National Association of State Contractors Licensing Agencies (NASCLA)** coordinated a national enforcement effort during the weeks of June 7 – 25, 2021. NASCLA had 8 state members participate in this impactful event across the country. The goal of this operation was to elevate consumer protection and deter illegal construction practices. The shared commitment of our state members brought awareness to unlicensed activity and spotlighted the contractor state licensing and registration agencies nationally. NASCLA would like to thank all the state members for their continued partnership and national enforcement efforts as we forge ahead to protect the public and combat unlicensed activity,” stated Angie Whitaker, CAE, NASCLA Executive Director.

NASCLA encourages consumers when looking for a construction contractor to:

- Verify the contractor is actively licensed; always hire a licensed contractor
- Get 2-3 estimates and don't automatically accept the lowest bid
- Check at least 3 references
- Require a written contract
- Don't make a large down payment; make payments as work is completed
- Monitor the job in progress
- Don't make the final payment until the job is complete
- Keep all paperwork related to your job

The association would like to reinforce the message to consumers always *Hire a Licensed Contractor and Verify Your Contractor is Licensed*. To review our consumer awareness information, please visit our website located www.nascla.org/page/ConsumerReferenceLib. To verify your contractor is licensed and in good standing with the state contractor board, please visit our website located at www.nascla.org/page/LicensingInfo or contact your local state contractor licensing board for state specific information.

For more information on NASCLA, please visit our website at www.nascla.org or contact the association office at (623) 587-9354.

COVID-19 Process Improvements

- a. Internal Improvements
- b. Industry Improvements





CONTRACTORS STATE LICENSE BOARD

COVID 19 PROCESS IMPROVEMENTS

COVID-19 internal and external process improvements to be discussed by board members include the following:

Internal Improvements

- More online license transactions
- Online complaint submittal
- Telework
- Shift in outreach: Focus on social media and webinars

Industry Improvements

- Transmission tracking and risk avoidance (Protecting Clients and Workers)
- Owner and labor interactions
- Building permit compliance

AGENDA ITEM D

Adjournment

