



CONTRACTORS STATE LICENSE BOARD

REVIEW OF 2025-26 PENDING LEGISLATION

Review and Discussion of 2025-26 Pending Legislation

C1. [Assembly Bill 485](#) (Ortega) – Labor Commissioner: unsatisfied judgments: nonpayment of wages.

STATUS/LOCATION (as of April 4, 2025): Pending the Assembly Appropriations Committee.

SPONSOR: Santa Clara County Wage Theft Coalition

SUBJECT: Requires the Contractors State License Board (CSLB) to deny a license and/or license renewal if the Labor Commissioner determines the licensee or applicant is in violation of an unsatisfied judgment related to the nonpayment of wages.

CODE SECTION(S): Labor Code section 239.7.

SUMMARY: AB 485 would require a state agency (including CSLB) to deny a license or license renewal for an employer who has been found via a final judgment to have failed to pay wages for work performed in California. This bill also requires the Labor Commissioner, upon finding that an employer is conducting business in violation of unsatisfied judgment requirements, to notify the applicable state agency with jurisdiction over that employee's license or permit.

EXISTING LAW: Existing law authorizes the Labor Commissioner to investigate employee complaints and to take various actions against an employer with respect to unpaid wages. Existing law generally prohibits an employer with an unsatisfied final judgment for nonpayment of wages from continuing to conduct business in California, unless that employer has obtained a bond from a surety company and filed that bond with the Labor Commissioner.

Existing law authorizes CSLB's registrar to refuse to issue, reinstate, reactivate, or renew a license, or suspend a license for failure of a licensee to resolve all outstanding final liabilities, including those owed to the Labor Commissioner.

COMMENT/ANALYSIS: According to the author, "Wage theft is the most prevalent type of theft in the country, causing more economic loss than all other types of theft combined. In California, workers lose an estimated \$2 billion annually, and 30 percent of low-wage workers in the state report experiencing at least one form of wage theft. In recent years, the Legislature has equipped the Labor Commissioner with additional mechanisms to enforce unpaid wage theft judgments. While these tools have been helpful to the Labor Commissioner, the vast majority of wage theft judgments still go unpaid."



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While this bill requires state agencies to deny a license or renewal for violations of unsatisfied judgment requirements, Contractors State License Law (Business and Professions Code 7145) already authorizes CSLB to refuse to issue a license or license renewal, or suspend a license, for outstanding liabilities. Further, CSLB currently has a standing agreement with the Division of Labor Standards Enforcement under the direction of the Labor Commissioner to transmit violations for further CSLB disciplinary action. Accordingly, this bill does not create any new processes for CSLB to implement.

FISCAL IMPACT: None. CSLB currently has the authority to suspend a license for outstanding liabilities and unsatisfied final judgments. Accordingly, CSLB believes this bill presents no additional workload.

STAFF RECOMMENDATION: Staff recommend a “NEUTRAL” position to this bill because it does not directly impact CSLB. This bill extends CSLB’s existing practice of denying a license for outstanding liabilities to other state licensing entities.



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C2. [Assembly Bill 667](#) (Solache) – Professions and vocations: license examinations: interpreters.

STATUS/LOCATION (as of April 4, 2025): Pending the Assembly Business and Professions Committee.

SPONSOR: California Immigrant Policy Center and Immigrants Rising

SUBJECT: Requires programs under the Department of Consumer Affairs (DCA) to allow applicants to use an interpreter to interpret the licensing examination.

CODE SECTION(S): Business and Professions Code section 41 and Health and Safety Code sections 1337.25 and 1736.3.

SUMMARY: AB 667 requires programs under DCA, including the Contractors State License Board (CSLB), to permit an applicant who cannot read, speak or write English to use an interpreter during the examination process, as specified. Specifically, AB 667:

- 1) Requires CSLB to permit applicants who cannot read, speak or write English to use an interpreter to interpret the license examination to their preferred language, if the examination is not offered in their preferred language, provided the applicant meets all other licensing requirements.
- 2) Requires CSLB to post on its website (in English, Spanish, Farsi, Hindi, Chinese, Cantonese, Mandarin, Korean, Vietnamese, Tagalog, and Arabic) that an applicant may use an interpreter if they cannot read, speak, or write in English;
- 3) Requires CSLB to ask applicants to identify their preferred written, spoken and signed languages on the license application and annually report this data to the Assembly Business and Professions Committee and Senate Business, Professions, and Economic Development Committee;
- 4) Requires CSLB to conduct an annual review of preferred language data;
- 5) Prohibits CSLB from charging an applicant a fee, penalty or surcharge for using an interpreter;
- 6) Prohibits individuals from serving as an interpreter if they are CSLB licensees or affiliated with any apprenticeship or training programs associated with licensure; and,
- 7) Prohibits individuals from serving as an interpreter more than once a year.



COMMENT/ANALYSIS: According to the author, “Of the 200 professional license examinations in California, only about 20 are offered in non-English languages. This is partly due to the lack of standardized language access policies across licensing regulatory bodies. Individuals from abroad or who have LEP [Limited English Proficiency] can be at a disadvantage when trying to pass an examination despite the fact that they have the skills and energy to do the job. This creates barriers to economic inclusion for immigrant and refugee communities who are unable to receive a license to practice in their chosen occupation.”

This bill appears to be modeled on CSLB’s current process of allowing applicants to use translators for examinations. CSLB allows applicants for licensure who have difficulty understanding or reading English to use a translator to read the examination for them if a translated exam is not available.

Because CSLB offers 10 of its most common licensing exams available in Spanish (Law and Business, B - General Building, C-8 Concrete, C-9 Drywall, C-15 Flooring and Floor Covering, C-27 Landscaping, C-33 Painting and Decorating, C-36 Plumbing, C-39 Roofing, and C-54 Ceramic and Mosaic Tile), CSLB currently averages only 40 translator exams per month. Translators must be approved in advance by CSLB. Applicants with translators are provided with a separate room and proctor to administer the exam. Costs associated with the separate room and proctor are borne by CSLB.

While this bill does impose a few additional requirements beyond CSLB’s existing processes, specifically an ongoing reviewing and reporting language preference data to the Legislature, these new requirements do not present any significant burden to implement. CSLB already provides information on its website regarding the use of a translator in Spanish, Chinese, Korean, Vietnamese, Tagalog, and Arabic, and can add information in Hindi, Farsi, Cantonese, and Mandarin should this bill become law. CSLB also requests and collects language preference data and can provide this information to the Legislature as required.

FISCAL IMPACT: Pending. There may be workload and IT costs associated with the data reporting requirements of this bill.

STAFF RECOMMENDATION: Staff recommend a “NEUTRAL” position to this bill. CSLB supports efforts to encourage professional licensure by underrepresented populations.



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C3. [Assembly Bill 742](#) (Elhawary) – Department of Consumer Affairs: licensing: applicants who are descendants of slaves.

STATUS/LOCATION (as of April 1, 2025): Pending the Assembly Business and Professions Committee.

SPONSOR: Author-sponsored.

SUBJECT: Prioritizing applications from descendants of American slaves.

CODE SECTION(S): Business and Professions Code section 115.7.

SUMMARY: AB 742 requires programs under the Department of Consumer Affairs (DCA), including the Contractors State License Board (CSLB), to prioritize applicants seeking licensure who are descendants of American slaves provided their status as a descendant of an American slave has been confirmed by a newly established Bureau for Descendants of American Slavery (Bureau).

COMMENT/ANALYSIS: Per the author, “By prioritizing descendants of slaves when applying for licenses, we hope to increase the number of applicants and recipients of licensure in various businesses and professions where descendants of slaves have often been overlooked and underrepresented. In addition, AB 742 will ensure that these applicants are not subjected to an arbitrary waiting period, allowing them to begin practicing with their license much sooner. This is one small step in righting the wrongs of the past.”

This bill would require CSLB to prioritize licensing applications from descendants of slaves once a confirmation process has been established by the Bureau. The enactment of this bill is contingent upon the passage of SB 518 (Weber Pierson, 2025) which would establish the Bureau. AB 742 delays implementation until the Bureau can establish the certification process for descendants of American slaves and sunsets these provisions on January 1, 2032, or four years after the certification process is established by the Bureau.

CSLB does not collect demographic data from applicants or licensees; however, CSLB conducted a volunteer survey in April 2023, for individuals issued a contractor’s license in the previous year. A total of 13,385 surveys were emailed and 2,362 (18%) responses were received. Of the survey respondents, 2.7% identified as Black or African American.

RELATED LEGISLATION: SB 518 (Weber Pierson) would establish the Bureau and require it to determine how to confirm an individual’s status as the descendent of



slavery. The Bureau will be made up of four divisions – Genealogy, Property Reclamation, Education and Outreach, and Legal Affairs. SB 518 is pending a vote in the Senate Governmental Organization Committee.

AB 2862 (Gipson, 2024) would have required the programs under DCA to prioritize African American applicants, especially applicants descended from a person enslaved in the United States. The bill was held in the Senate Business, Professions, and Economic Development Committee.

FISCAL IMPACT: The bill does not define “prioritize” in relation to prioritizing applicants. CSLB assumes this has the same meaning as “expedite,” which is a process CSLB currently employs for specified applicants, including those with military or immigrant related background. CSLB also assumes the number of applicants under this bill would not be large, and that costs to implement this legislation are minimal and can be absorbed within existing resources.

STAFF RECOMMENDATION: Staff recommend a “SUPPORT” position to this bill. CSLB supports efforts to encourage professional licensure by underrepresented populations and the workload associated with prioritizing applications is minimal.



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C4. [Assembly Bill 1002](#) (Gabriel): Contractors: failure to pay wages: discipline.

STATUS/LOCATION (as of April 4, 2025): Pending the Assembly Business and Professions Committee.

SPONSOR: California Department of Justice, Office of the Attorney General

SUBJECT: Civil Actions Against Contractors for Failure to Pay Wages.

CODE SECTION(S): Business and Professions Code section 7110.6.

SUMMARY: AB 1002 authorizes the Attorney General (AG) to file a civil action to suspend, revoke, or deny licensure of a contractor for failure to pay workers or failure to comply with a wage judgment or court order. Specifically, this bill:

- 1) Authorizes the AG, in a civil action, to temporarily suspend, permanently revoke a contractor's license, or bar or deny licensure of any contractor or other qualifying individual on a license, for failing to pay workers the full amount of wages they are entitled under the law, not fulfilling a wage judgment, or violating an order regarding payment of wages.
- 2) Requires the AG to notify CSLB before bringing such action and authorizes CSLB to intervene in the proceedings, as specified.
- 3) Requires the court to issue an order to CSLB to suspend or bar licensure or relicensure if the AG prevails, as provided.

EXISTING LAW: Existing law authorizes the AG to bring civil actions against contractors for violating applicable laws but does not explicitly provide that the civil action restricts the contractor's license. In other words, before this bill, only the registrar, through authority delegated by the board, can discipline a contractor's license, or request that a criminal or civil court do so.

COMMENT/ANALYSIS: This bill would empower the AG to take disciplinary action against a contractor's license without CSLB involvement. According to the author, "Wage theft violations often affect some of the most vulnerable workers in our economy, who may not have the resources or knowledge to fight for their rights when an employer refuses to pay wages owed. The United States Department of Labor Data Enforcement database shows that numerous companies in California have been the subject of multiple investigations that found violations of the Labor Code, including wage theft. Many of these have been settled through financial compensation but, for some



companies, the penalty has apparently not proven to serve as a sufficient deterrent. In fact, some contractors have continued to violate the law after paying a settlement.

“While wage theft and other labor violations are already illegal, adding this authority would offer a more immediate and impactful remedy in coordination with California’s licensing board for contractors. Contractors who may otherwise repeatedly pay fines or avoid compliance will no longer be allowed to break the law and withhold wages from hardworking employees should they wish to continue doing business in California.”

This bill was motivated by a lawsuit brought by the AG against a construction subcontractor for ongoing wage and hour violations. The lawsuit alleges the company paid its employees via a piece-rate compensation system instead of paying a fixed hourly wage and failed to provide legally mandated information to employees about the number of pieces that formed the basis of their pay, making it impossible for workers to accurately calculate the wages they were owed.

CSLB is the only entity in state government tasked with the licensure and enforcement of the contracting profession. While this bill is fairly narrow in scope, the Board may want to consider if it is appropriate to relinquish any authority to suspend or revoke a license to the judiciary branch.

Another consideration is that CSLB does not have direct authority to enforce wage and hour violations, which are in the domain of the Department of Industrial Relations. This bill may be a tool to enhance enforcement of these requirements to the extent they are being egregiously violated by licensed contractors and not adequately enforced.

SUGGESTED AMENDMENTS: Staff recommend AB 1002 be amended to use the term “revocation” in subsection (e) for consistency with subsection (a).

FISCAL IMPACT: Pending.

STAFF RECOMMENDATION: Staff recommend a “NEUTRAL” position to provide time to meet with AG staff to obtain additional information on how the AG would discipline or revoke a contractor’s license without CSLB’s involvement. While staff may have concerns about relinquishing enforcement authority to the court, CSLB acknowledges and supports this bill’s intent to curb wage violations.



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C5. [Assembly Bill 1341](#) (Hoover) Contractors: discipline: unlicensed architecture, engineering, or land surveying.

STATUS/LOCATION (as of April 4, 2025): Pending the Assembly Business and Professions Committee.

SPONSOR: American Institute of Architects, California; American Council of Engineering Companies; California Land Surveyors Association; and California & Nevada Civil Engineers and Land Surveyors Association

SUBJECT: Provides that unlicensed practice in architecture, engineering, or land surveying is cause for disciplinary action by CSLB.

CODE SECTION(S): Business and Professions Code (BPC) section 7110.

SUMMARY: AB 1341 adds the unlicensed practice of architecture, engineering, and land surveying, as a cause for discipline in the Contractors State License Law (Contractors Law).

EXISTING LAW: Existing law provides that the willful or deliberate disregard and violation of the building laws of the state is a cause for disciplinary action against a licensee.

COMMENT/ANALYSIS: According to the author, “Unlicensed practice in the building disciplines is increasing, in part due to the advent of new technologies, such as drones and ground penetrating radar. The unlicensed practice of any of the disciplines involved in the building process can subject the public to severe harm in the design, location and construction of buildings. Effective solutions for unlicensed practice can be elusive; merely increasing penalties for unlicensed practice, for example, runs the risk that fines will simply be incorporated as a cost of doing business...Current law already subjects contractors to disciplinary action for violating the state building laws. AB 1341 merely clarifies that violating ‘the building laws of the state’ includes the unlicensed practice of architecture, engineering, and land surveying. The bill does not create or increase any fines, nor does it modify the substantive law of what constitutes unlicensed practice.”

Contractors Law provides that the willful or deliberate disregard of state building laws constitutes a cause for disciplinary action against a licensee. This bill would include the unlicensed practice of architecture, engineering and land surveying in the definition of “building laws of the state.”

CSLB staff are aware of concerns from other licensing programs that licensed contractors may be engaging in unlicensed architecture, engineering, and land



surveying work. CSLB does not have the authority to investigate or enforce unlicensed practice related to other professions; however, CSLB can discipline a licensee for violating another practice act provided the authorizing entity [in this case, the California Architects Board (CAB) and the Board for Professional Engineers, Land Surveyors, and Geologists (BPELSG)] makes a finding that a violation has occurred.

FISCAL IMPACT: CSLB staff believe it already has the authority to discipline a licensed contractor for its failure to abide by the practice act of another agency provided the other agency makes and provides that finding to CSLB. CSLB already disciplines contractors for violations of state law outside of the Contractors Law and does not anticipate this bill to change that unless CAB and BPELSG anticipate making several referrals of unlicensed practice to CSLB as a result of this bill. Any costs related to the implementation of this bill are likely minimal and can be absorbed by current resources.

STAFF RECOMMENDATION: Staff recommend a “NEUTRAL” position to this bill. While it’s unclear how this bill would significantly prevent unlicensed practice of architecture, engineering or land surveying, this bill does not require CSLB to investigate if unlicensed practice is occurring within another licensing program. However, CSLB understands the grave harm that unlicensed practice in general causes consumers and its inclusion in Contractors Law may help draw attention to the issue. Staff anticipate meeting with CAB and BPELSG regarding bill impact on their programs and will share information received at the Legislative Committee meeting.



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C6. [Senate Bill 61](#) (Cortese) – Private works of improvement: retention payments.

STATUS/LOCATION (as of April 4, 2025): Pending the Senate Judiciary Committee.

SPONSOR: National Electrical Contractors Association

SUBJECT: Private works of improvement: retention payments

CODE SECTION(S): Civil Code section 8811.

SUMMARY: SB 61 would limit the amount of a retention payment withheld from a payment for a private work of improvement from exceeding 5% of the payment or contract price. Specifically SB 61:

- 1) Provides that a retention payment withheld from a payment by an owner from the prime or direct contractor (contractor with a contract with the property owner) by the direct contractor from any subcontractor, or from any subcontractor from another subcontractor shall not exceed 5% of the payment;
- 2) Provides that the total retention proceeds withheld shall not exceed 5% of the contract price;
- 3) Provides that in a contract between a direct contractor and a subcontractor or between a subcontractor and another subcontractor, the percentage of the retention payment withheld shall not exceed the percentage specified in the contract between the owner and the direct contractor.
- 4) Exempts these requirements if the contract bid requires a performance and payment bond and the subcontractor fails to furnish a performance and payment bond issued by an admitted surety insurer.
- 5) Exempts these requirements from an owner, director, or subcontractor on a residential project if the project is not mixed-use and does not exceed four stories.
- 6) Requires a court to award reasonable attorney's fees to the prevailing party in any action to enforce these provisions.
- 7) Delays implementation until January 1, 2026.

EXISTING LAW: Existing law governs retention payments withheld by an owner from a direct contractor or by a direct contractor from a subcontractor. Existing law requires an owner to pay a retention to a direct contractor within 45 days after completion of the



work of improvement, and for a direct contractor to pay a retention to a subcontractor within 10 days after completion of the work of improvement.

COMMENT/ANALYSIS: According to the author, “Paying contractors only 90% for completed work leaves them financially strained, as they must cover 100% of their obligations such as payroll, benefits, materials, and taxes. With profit margins often below five percent, contractors frequently have to utilize lines of credit to meet their responsibilities, driving up project costs. Excessive retention has an even greater negative impact on small and emerging businesses, which face limited access to capital, reducing their bidding capacity. In the union sector of the construction industry, excessive retention withholdings can result in cash-flow issues, delaying trust fund contributions that may disrupt union employee health benefits.”

SB 61 establishes a 5% retention cap for private construction projects bringing it in line with the existing retention cap for public works projects. Currently, 10% is commonly withheld, which according to industry makes it difficult to cover their financial obligations including payroll, benefits, materials and taxes. This proposal has no discernable negative or positive effect on consumer protection.

FISCAL IMPACT: None. The costs to implement this legislation do not impose any additional workload or costs on CSLB.

STAFF RECOMMENDATION: Staff recommend a “SUPPORT” position to this bill. This bill does not impact consumer protection or present any additional workload requirements to CSLB. Further, standardizing the allowable retention on private and public works will provide clarity to the construction industry and enhanced subcontractor solvency.



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C7. [Senate Bill 342](#) (Umberg) – Contractors: unlicensed work.

STATUS/LOCATION (as of April 4, 2025): This bill is being held in the Senate Business, Professions and Economic Development Committee and is not moving forward this year.

SPONSOR: CA Conference of Carpenters

SUBJECT: Allows contractors to recover payment for work completed while unlicensed.

CODE SECTION(S): Business and Professions Code section 7031.

SUMMARY: SB 342 would limit current prohibitions on collecting payment for construction work that occurred while a license has lapsed for private construction work of residential property of 25 units or less. The bill provides that if the person's license was suspended only because of an administrative purpose, including failing to renew on time, the amount the person is ineligible to recover is limited to actual damages or \$10,000, whichever is greater.

EXISTING LAW: Existing law prohibits a contractor from bringing an action to recover compensation for the performance of work that occurred while the contractor was unlicensed.

COMMENT/ANALYSIS: This bill is not moving forward in 2025.

FISCAL IMPACT: None. This bill is not moving forward in 2025.

STAFF RECOMMENDATION: None. This bill is not moving forward in 2025.



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C8. [Senate Bill 456](#) (Ashby) – Contractors: exemptions: muralists.

STATUS/LOCATION (as of April 4, 2025): Pending the Senate Business, Professions, and Economic Development Committee.

SPONSOR: California Arts Advocates and League of California Cities

SUBJECT: Contractors: exemptions: muralists.

CODE SECTION(S): Business and Professions Code (BPC) section 7044.

SUMMARY: SB 456 exempts artists who draw, paint, apply, execute, restore or conserve a mural pursuant to an agreement with a person who can legally authorize the work from licensure. This bill also defines a “mural” as a unique work of fine art that is protected by copyright, trademark, label, or patent and that is drawn or painted by hand directly upon an interior or exterior wall or ceiling, fixture, or other appurtenances of a building or structure. Lastly, this bill provides that a mural does not include painted wall signs.

EXISTING LAW: Existing law provides certain exemptions from licensure requirements including exemptions for owner-builders and for work valued at \$1,000 or less for materials and labor.

COMMENT/ANALYSIS: According to the author, “SB 456 creates a licensing exemption for muralists, which will allow them to continue to engage in commissioned work for public and private art without obtaining a contractor’s license, as has been standard practice... Public art and murals are proven drivers of enhancing community and economic health, attracting tourists, supporting jobs, generating revenue, and improving public safety and well-being... Requiring muralists to obtain a contractor’s license imposes significant challenges. To qualify for these commercial licenses, muralists must accumulate four years of specialized experience under a licensed contractor, pass the Law and Business examination, and pay annual licensing fees.”

If the cost of a mural installation is \$1,000 or more, including labor and materials, a contractor’s license is required, and the appropriate classification to perform this work is the C-33 - Painting and Decorating classification. To secure a C-33 license classification, an applicant must be 18 years old or older, submit a completed application, demonstrate four years of documented experience, pass a background check, take and pass a licensing examination, complete an asbestos open book exam, secure workers’ compensation (WC) insurance or submit a WC exemption, and pay licensing fees. Licensees are also required to secure a licensing bond and renew their license every two years.



This bill would exempt artists who paint murals from licensure requirements, provided they are producing a unique work of fine art. Copyright protects original works of authorship, including visual artwork. In general, works that have been copyrighted cannot be used without the permission of the author.

FISCAL IMPACT: There are no costs associated with the implementation of this legislation.

STAFF RECOMMENDATION: Staff recognize the cultural benefits murals impart on local communities. Staff also recognize how requiring licensure for muralists presents a financial and experience qualification burden to artists and may reduce muralists available to provide public works of art. Staff also believe in the importance of contractor licensure for consumer, worker and public protection and that any exemption from the Contractors State License Law should be clearly articulated and easy for the public to understand. Because consumer or public harm caused by muralists has not been established and a muralist license exemption does not create additional workload for CSLB, staff recommend the Board take a "NEUTRAL" position.



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C9. [Senate Bill 517](#) (Niello) – Home improvement contract requirements: subcontractors.

STATUS/LOCATION (as of April 4, 2025): Pending Senate Business, Professions and Economic Development Committee.

SPONSOR: Author-sponsored.

SUBJECT: Home improvement contract requirements: subcontractors.

CODE SECTION(S): Business and Professions Code (BPC) section 7159.

SUMMARY: SB 517 requires every home improvement contract (HIC) to include the name and contact information of the subcontractor, if the subcontractor performs more than 50 percent of the total estimated project cost.

EXISTING LAW: Existing law identifies the projects for which a HIC is required, outlines the contract requirements, and lists the items to be included in the contract.

COMMENT/ANALYSIS: According to the author, “There have been instances in which companies don’t do construction work themselves; instead, after they sign a contract they try to find subcontractors who will do most or all of the project for them. This is done without the consumer’s knowledge. Bad actors utilizing some of these practices have left both customers with an unfinished product and subcontractors without payment for completed work. SB 517 empowers customers to make an informed decision on the improvement of their home. If a consumer is not provided the information that a subcontractor will be doing majority or all of the work then they are not able to properly vet the entity and decide for themselves.”

HIC requirements are a key provision of Contractors State License Law (Contractors Law) intended to protect consumers. HICs help minimize misunderstandings between consumers and contractors by detailing the scope of the project, the materials used, and the costs. HICs are required for projects where labor and materials cost \$500 or more and must contain the contractor’s contact information and license number, along with information on how to cancel the contract. HICs must also include down payment and progress payment information if applicable, and information on mechanics liens. Failure to abide by these requirements is cause for discipline.

Currently the HIC requires the contractor to provide a “mechanics lien warning,” advising the consumer that subcontractors who are not paid for their work have the right to place a mechanics lien on the homeowner’s property. A mechanics lien is a “hold” against a property, filed by an unpaid contractor, subcontractor, laborer, or material



supplier, and is recorded with the county recorder's office. A lien may result in the homeowner having to pay twice for the project or face the forced sale of their home to pay what is owed to the subcontractor. Legally, the homeowner is ultimately responsible for payment — even if they already have paid the contractor.

This bill requires an HIC to contain the name and contact information for a subcontractor, if the subcontractor will be performing 50% of the work. This bill improves transparency in HICs by ensuring homeowners will know who is performing the work. Homeowners will also be able to more easily determine whether a subcontractor is actively licensed and potentially lessen the possibility that a mechanics lien will be placed on their property.

SUGGESTED AMENDMENTS: While each licensee is responsible for compliance with Contractors Law, CSLB holds the prime contractor responsible for completion of a home improvement project whose scope and cost are outlined in an HIC. Staff recommend the bill be amended to: 1) clarify that the prime contractor is responsible for the subcontractor's work; and, 2) include the subcontractor's license number and classification along with their name and contact information.

FISCAL IMPACT: The costs to implement this proposal are minimal and can be absorbed within current resources.

STAFF RECOMMENDATION: Staff recommend the Board take a SUPPORT IF AMENDED position. This bill provides greater transparency between the prime contractor and consumer and may reduce the number of mechanics liens placed on homeowners.