

# It Pays to Get Licensed

With a license issued by the California Contractors State License Board you can earn more money, help make sure you're paid for the work you do, and avoid fines and penalties for unlicensed contracting.



Any construction project priced at \$500 or more in combined labor and materials costs must be done by a contractor licensed in the trade or occupation of the work.

To get a contractor's license requires a non-refundable \$330 application fee, an initial licensing fee of \$200 if your application is approved, and a \$400 renewal fee every two years thereafter for an active license.

## Get Paid for the Work You do

Help make sure you're paid for your work. State law (Business and Professions Code section 7031) allows a customer to get back all money paid to an unlicensed contractor; it also prevents an unlicensed contractor from using the courts to collect money he/she is owed by a customer.

## Pride of Ownership

**Advertising legally**—A prominently displayed license number on business cards and advertisements reassures consumers they are hiring a professional and qualified contractor.

## Grow Your Business

- Bid on larger, commercial jobs that require a license.
- Bid on public works jobs—You must be a licensed contractor and register with the Department of Industrial Relations in order to submit a bid and be awarded a contract for a public works project.
- Carrying workers' compensation insurance allows you to hire more workers without risk of legal action for not having that coverage.
- A contractor's license can make it easier to qualify for a business loan to help with equipment purchases and other expenses.

## End Fear of Fines and Penalties

Avoid fines (up to \$15,000) and possible jail time for contracting without a license.

## Next Steps

Please visit [www.cslb.ca.gov](http://www.cslb.ca.gov) or call (800) 321-2752 for more information about how to become a licensed contractor.

## Steps to Becoming a Licensed Contractor

1. Determine if eligible
2. Complete an application
3. Submit an application and the required fees
4. Submit fingerprints (after CSLB review of application)
5. CSLB randomly verifies the work experience of some applicants
6. Schedule an exam
7. License issued