

CONTRACTORS STATE LICENSE BOARD

Title 16, California Code of Regulations Sections 884

SECTION 100 CHANGE WITHOUT REGULATORY EFFECT

**WRITTEN STATEMENT OF EXPLANATION REGARDING
CHANGES WITHOUT REGULATORY EFFECT**

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(a), of the California Code of Regulations (CCR), the Department of Consumer Affairs, Contractors State License Board (CSLB or Board) submits this written statement explaining why the proposed amendments to CCR sections 884 of Article 2, Division 8, of Title 16, do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision.

Business and Professions Code (BPC) section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedures Act, that are reasonably necessary to carry out the provisions of the chapter of the BPC. Section 7099.2 requires CSLB to promulgate regulations covering the assessment of civil penalties which consider the appropriateness of the penalty based on the following factors: 1) the gravity of the violation; 2) the good faith of the licensee or applicant for licensure being charged; and 3) the history of previous violations. BPC section 7099.2 authorizes the assessment of penalties up to \$8,000 with the exception of a specific list of violations that authorize a civil penalty assessment up to \$30,000.

CCR section 884 sets forth the minimum and maximum penalty range that may be assessed against a person cited for violating various provisions of the Contractors State License Law (CSLL). After a thorough review by Board staff of recent legislation, current statutes, as well as previously approved regulatory proposals, it has been determined that the penalty ranges as listed in CCR 884 are out of date.

In addition to changes that should have been made over the years, there has been more recent legislation that has updated the minimum and maximum penalties. In 2025, Senate Bill (SB) 291 (Grayson, Chapter 455, Statutes of 2025) amended BPC section 7099.2 to add that a civil penalty shall be assessed in an amount not less than five hundred dollars (\$500) and not less than one thousand five hundred dollars (\$1,500) for a violation of Section 7110, 7114, or 7118. SB 291 also amended BPC section 7125.4 to set a minimum civil penalty of ten thousand dollars (\$10,000).

Senate Bill (SB) 779 (Archuleta, Chapter 233, Statutes of 2025) amended BPC section 7028.7 to increase the minimum civil penalty assessment for a violation to fifteen hundred dollars (\$1,500) and BPC section 7099.2 to increase the civil penalty minimum to fifteen hundred dollars (\$1,500) for a violation of Section 7110, 7114, or 7118.

Board staff also reviewed previous Section 100 proposals that were approved but did not update certain fine ranges when they initially went into effect, as discussed in more detail below.

Since these new statutory changes will go into effect July 1, 2026, the Board staff is requesting that this Section 100 proposal also takes effect July 1, 2026.

Subject to the approval of OAL, the Board is proposing amendments to CCR section 884 to conform to the amendments made under SB 291, as follows:

Amend CCR section 884 as follows:

The citation fine minimums for BPC sections 7027.1, 7028, 7028.1, 7028.5, 7029.1, 7029.5, 7029.6, 7030.5, 7031.5, 7034, 7068.1, 7068.2, 7071.11, 7071.13, 7075, 7076, 7083, 7083.1, 7099.10, 7099.11, 7107, 7108, 7108.5, 7108.6, 7109, 7110.1, 7111, 7111.1, 7113, 7114.1, 7115, 7116, 7117, 7117.5, 7117.6, 7118.4, 7118.5, 7118.6, 7119, 7120, 7125, 7154, 7157, 7159, 7159.5 (a)(1), (a)(3), and (a)(5), 7159.5 (a)(2), (a)(4), (a)(6), (a)(7), and (a)(8), 7159.10, 7159.14, 7161, 7162, and 7164 are being increased to \$500. This aligns the stated sections with BPC section 7099.2 which was recently amended via Senate Bill (SB) 291 (Grayson, Chapter 455, Statutes of 2025).

The citation fine minimum for BPC section 7125.4 is being increased to \$10,000 to align with recently amended 7125.4 which was recently amended via Senate Bill (SB) 291 (Grayson, Chapter 455, Statutes of 2025).

Subject to the approval of OAL, the Board is proposing amendments to CCR section 884 to conform to the amendments made under SB 779 and SB 291, respectively, as follows:

Amend CCR section 884 as follows:

The citation fine minimums for BPC sections 7028.7, 7110, 7114, and 7118 are being increased to \$1,500. This aligns the stated sections with BPC section 7028.7 which was recently amended via SB 779 (Archuleta, Chapter 233, Statutes of 2025) and section 7099.2(b)(1) which was recently amended via SB 291 (Grayson, Chapter 455, Statutes of 2025), respectively.

Additionally, subject to the approval of OAL, the Board proposes to amend several citation fine amounts in CCR section 884 that were inadvertently not amended in prior rulemakings and need to be updated.

Amend CCR section 884 as follows:

The citation fine maximums for BPC sections 7027.1, 7029.1, 7029.5, 7029.6, 7030, 7030.5, 7034, 7068.2, 7071.11, 7071.13, 7075, 7076, 7083, 7083.1, 7099.10, 7099.11, 7108.5, 7108.6, 7110.1, 7111, 7111.1, 7114.1, 7117, 7119, 7120, 7125, 7154, 7157, 7159, 7159.5 (a)(2), (a)(4), (a)(6), (a)(7), and (a)(8), 7159.10, 7162, and 7164 are being increased to \$8,000, respectively. This aligns the stated sections with BPC section 7099.2 which was previously amended by Assembly Bill (AB) 569 (Grayson, Chapter 94, Statutes of 2021). In a prior section 100 rulemaking (OAL File No. 2021-0929-02) these stated BPC sections (in the existing regulation) were inadvertently left out when alignment increases were made.

Finally, subject to the approval of OAL, the Board proposes to amend some errors in the fine amounts that were inaccurately set previously and need to be amended for consistency.

Amend CCR section 884 as follows:

The citation fine minimum for BPC section 7028.1 was inadvertently set at \$1,000 in a prior rulemaking (OAL File No. 06-1215-01 S) but there is no authority for that amount as 7028.1(a) and (b) are criminal rather than administrative fines. There is authority for an administrative citation fine of \$500 minimum per BPC 7099.2. Therefore, it is appropriate to make this amendment accordingly.

The citation fine minimum for BPC section 7118.4 was inadvertently set at \$3,000 in a prior rulemaking (OAL File No. 06-1215-01 S) but there is no authority for that amount as 7118.4 (d) are criminal rather than administrative fines. There is authority for an administrative citation fine of \$500 minimum per BPC 7099.2. Therefore, it is appropriate to make this amendment accordingly.

The citation fine minimum for BPC section 7118.5 was inadvertently set at \$1,000 in a prior rulemaking (OAL File No. 06-1215-01 S) but there is no authority for that amount as 7118.5 (a) and (b) are criminal rather than administrative fines. There is authority for an administrative citation fine of \$500 minimum per BPC 7099.2. Therefore, it is appropriate to make this amendment accordingly.

The citation fine minimum for BPC section 7118.6 was inadvertently set at \$1,000 in a prior rulemaking (OAL File No. 06-1215-01 S) but there is no authority for that amount as 7118.6 (a) and (b) are criminal rather than administrative fines. There is authority for an administrative citation fine of \$500 minimum per BPC 7099.2. Therefore, it is appropriate to make this amendment accordingly.

These are changes without regulatory effect because they make amendments consistent with the requirements of the underlying statute. The proposed amendments to these sections are authorized under CCR section 100 as (a)(2) deleting a regulatory provision for which all statutory or constitutional authority has been repealed and (a)(5) changing an “authority” or “reference” citation for a regulation (Cal. Code Regs., Title 1, Section 100, subdivisions (a)(2) and (a)(5).)